

STAND. COM. REP. NO. 1408

Honolulu, Hawaii

March 23, 2007

RE: S.B. No. 323
S.D. 2
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fourth State Legislature
Regular Session of 2007
State of Hawaii

Sir:

Your Committee on Economic Development & Business Concerns,
to which was referred S.B. No. 323, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY,"

begs leave to report as follows:

The purpose of this bill is to improve the ability of the High Technology Development Corporation (HTDC) and the High Technology Innovation Corporation (HTIC) to facilitate growth of Hawaii's high technology industry by:

- (1) Making an appropriation to continue current levels of funding for the Hawaii Small Business Innovation Research Grant and Hawaii Small Business Technology Transfer Grant Programs, which help small high technology businesses to compete more successfully for and obtain federal research and development funding;
- (2) Removing the \$3,000,000 ceiling from the High Technology Special Fund (Special Fund);
- (3) Providing that all HTDC general administrative and fiscal positions must only be funded with general funds and appropriating general funds for these positions; and



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- (4) Making a housekeeping amendment specifically allowing the HTIC to establish bank accounts in both in-state and out-of-state locations.

HTDC, the American Society of Civil Engineers, Hawaii Aquaculture Association, Technical Research Associates, Inc., Ambient Micro, LLC, Cardax Pharmaceuticals, and a concerned individual supported this bill. The Department of Budget and Finance opposed the bill in part.

Your Committee heard testimony that one of the purposes of this bill is to reinstate general funds for the administrative and fiscal positions of HTDC as originally intended by the Legislature. These positions are presently being funded by the fees collected in the operation of HTDC's incubators.

Your Committee has amended this bill by:

- (1) Reinstating the \$3,000,000 cap on the Special Fund, which does not affect HTDC's current operations; and
- (2) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business Concerns that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 323, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 323, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business
Concerns,

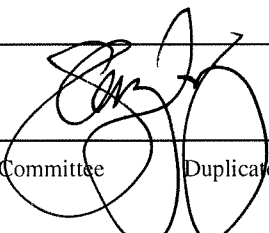


KYLE T. YAMASHITA, Chair



15CR 1408

Record of Votes of the Committee on Economic Development & Business Concerns

Bill/Resolution No.: SB 323 SD2 (SSCR936)		Date: March 15, 2007		
Committee Referral: EDB, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to: <input type="checkbox"/> Pass, unamended <input checked="" type="checkbox"/> Pass, with amendments <input type="checkbox"/> Hold <input type="checkbox"/> Pass, with amendments, for recommittal for further consideration				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)	✓			
2. WAKAI, Glenn (VC)	✓			
3. BERG, Lyla B., Ph.D.				✓
4. BROWER, Tom	✓			
5. CHANG, Jerry L.	✓			
6. HANOHANO, Faye P.	✓			
7. HERKES, Robert N.				✓
8. MANAHAN, Joey				✓
9. TSUJI, Clift	✓			
10. YAMANE, Ryan I.	✓			
11. CHING, Corinne W.L.				✓
12. MARUMOTO, Barbara C.	✓			
TOTAL	8	6	0	4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				