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# A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to build on the  
2 successes of Hawaii's science and technology industries and  
3 establish a research and development follow-on funding program  
4 for Hawaii-based small businesses that received federal funding  
5 through the Hawaii Technology Development Venture or the  
6 National Defense Center of Excellence for Research in Ocean  
7 Sciences.

8           SECTION 2. (a) Notwithstanding the requirements of  
9 chapter 42F, Hawaii Revised Statutes, there is established in  
10 the Hawaii strategic development corporation a research and  
11 development follow-on funding program for Hawaii-based small  
12 businesses that received federal funding through the Hawaii  
13 Technology Development Venture or the National Defense Center of  
14 Excellence for Research in Ocean Sciences.

15           The purpose of these awards shall be to:

16           (1) Provide accelerated economic development in the fields  
17               of science and engineering of defense-related dual-use  
18               technology by providing follow-on funding to



- 1           successful research and development projects for  
2           technology development, transition, and  
3           commercialization;
- 4           (2) Provide capital to sustain high-growth new venture  
5           company infrastructure development to assist the  
6           enterprise toward commercial success;
- 7           (3) Promote high-quality, high-income job opportunities  
8           for Hawaii's residents and graduates of Hawaii's  
9           educational institutions;
- 10          (4) Reverse the "brain drain" by allowing talented  
11          scientists and engineers to return home to living-wage  
12          jobs in Hawaii; and
- 13          (5) Keep the high technology companies in Hawaii by  
14          limiting the need to seek out-of-state venture  
15          capital, which dilutes local ownership.
- 16          (b) The Hawaii Technology Development Venture shall  
17          subcontract with selected companies and provide program  
18          oversight.
- 19          (c) To receive funding, a Hawaii-based company shall:
- 20          (1) Show satisfactory performance in any projects funded  
21          through the Hawaii Technology Development Venture or

1           the National Defense Center of Excellence for Research  
2           in Ocean Sciences;

3           (2) Submit proposals to the Hawaii Technology Development  
4           Venture for follow-on funding in accordance with the  
5           respective program requirements; provided that a  
6           substantial portion of the work under the award shall  
7           be performed in the state;

8           (3) Submit a budget based on parameters set forth by the  
9           Hawaii Technology Development Venture;

10          (4) Execute agreements in accordance with existing Hawaii  
11          Technology Development Venture or the National Defense  
12          Center of Excellence for Research in Ocean Sciences  
13          contracting requirements; and

14          (5) Submit reports of project progress in accordance with  
15          existing Hawaii Technology Development Venture  
16          requirements.

17          (e) The Hawaii Technology Development Venture shall submit  
18 reports to the corporation no later than twenty days prior to  
19 the regular session of 2008, and annually thereafter until all  
20 moneys have been expended, on the activities and expenditures of  
21 the follow-on funding program.

1 SECTION 3. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$5,000,000  
3 or so much thereof as may be necessary for fiscal year 2007-2008  
4 for a research and development follow-on funding program for  
5 Hawaii-based small businesses that received federal funding  
6 through the Hawaii Technology Development Venture or the  
7 National Defense Center of Excellence for Research in Ocean  
8 Sciences; provided that up to \$500,000 shall be expended for  
9 project oversight of program awardees. The funds shall be  
10 appropriated as a grant pursuant to chapter 42F, Hawaii Revised  
11 Statutes.

12 The sum appropriated shall be expended by the Hawaii  
13 strategic development corporation through a contract with the  
14 Pacific International Center for High Technology Research for  
15 the purposes of this Act.

16 SECTION 4. This Act shall take effect on July 1, 2007.



H.B. NO. 1083  
H.D. 2  
S.D. 2  
C.D. 1

**Report Title:**

High Technology; Incubation Center; R&D Funding Program

**Description:**

Establishes a research and development follow-on funding program for Hawaii-based small businesses that received federal funding through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences and appropriates \$5,000,000 for the program. (HB1083 CD1)

