
A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

1 SECTION 1. In 1983, the legislature created the high
2 technology development corporation as a means to facilitate
3 growth in the high technology industry. Since then, various
4 measures promoting the continuation of the high technology
5 industry have been enacted.

6 In 1990, the legislature established the Hawaii strategic
7 development corporation to encourage development and
8 diversification by stimulating the investment of private capital
9 in the State. Act 221, Session Laws of Hawaii 2001, supported
10 the establishment of high technology companies in Hawaii by
11 expanding the application of the high technology business
12 investment tax credit. Further, Act 215, Session Laws of Hawaii
13 2004, complemented Act 221, by creating the state private
14 investment fund, which fills the current funding gap for later-
15 stage Hawaii companies by creating a diversified investment fund
16 secured by the State.

17 Positive growth in high technology companies and continued
18 growth in the State's economy indicate that efforts to stimulate



1 the high technology industry by providing venture capital have
2 been worthwhile. Hawaii has experienced an influx of high
3 technology companies over the past five years and many of these
4 companies are beginning to enter the profitability stage of
5 their growth. A rising demand for increased incentives and
6 further support from the State mandates the establishment of
7 concrete plans and a unified vision for the future of Hawaii's
8 high technology sector.

9 The legislature finds that a task force focusing on
10 defining the direction of Hawaii's high technology industry is
11 the necessary next step in the process of continued growth. The
12 purpose of this Act is to establish the high technology industry
13 task force for the State. The primary responsibility of the
14 task force will be to develop a state master plan for high
15 technology.

16 SECTION 2. (a) The high technology industry task force is
17 established within the high technology development corporation.
18 The Hawaii high technology development corporation, and if
19 necessary the department of business, economic development and
20 tourism shall provide all necessary administrative and staff
21 support for the task force.



1 (b) The task force shall consist of fifteen members who
2 shall not be subject to senate confirmation. The chairperson of
3 the task force shall be elected by a majority of its members.

4 The task force shall be comprised of the following members:

5 (1) The director of business, economic development, and
6 tourism or the director's designee;

7 (2) The executive director of the high technology
8 development corporation or the director's designee;

9 (3) The president of the Hawaii strategic development
10 corporation or the president's designee;

11 (4) The director of taxation or the director's designee;

12 (5) The president of the University of Hawaii or the
13 president's designee;

14 (6) A representative of the Hawaii Venture Capital
15 Association;

16 (7) A representative of the Chamber of Commerce of Hawaii;

17 (8) A representative of the Tax Foundation of Hawaii;

18 (9) A representative of the Hawaii Science and Technology
19 Council;

20 (10) One member from the house of representatives and two
21 members of the public, who shall be appointed by the



1 governor from a list of at least six nominees from the
2 speaker of the house of representatives; and

3 (11) One member from the senate and two members of the
4 public, who shall be appointed by the governor from a
5 list of at least six nominees from the president of
6 the senate.

7 (c) Members of the task force shall serve without pay, but
8 may be reimbursed for necessary expenses, including travel
9 expenses incurred in the performance of official duties if funds
10 are available.

11 (d) The task force shall meet at least quarterly or more
12 frequently at the discretion of the chairperson.

13 (e) The primary tasks of the task force shall include:

14 (1) Evaluating the effectiveness of past and current high
15 technology legislation, including Act 215, Session
16 Laws of Hawaii 2004;

17 (2) Developing a master plan for the direction of high
18 technology in Hawaii, which shall include:

19 (A) A list of goals established for the high
20 technology sector in the State;

21 (B) A plan to reach the established goals; and

22 (C) A timeline for implementation and completion;



1 (3) Assisting the legislature in maintaining an overall
 2 framework to guide the development of high technology
 3 in the State by creating guidelines for future high
 4 technology legislation; and

5 (4) Submitting recommendations for high technology
 6 legislation to meet the goals established in the high
 7 technology master plan.

8 (f) The task force shall submit the master plan and a
 9 report, including proposed legislation, to the legislature and
 10 the governor no later than twenty days prior to the convening of
 11 regular session of 2008 and shall issue an updated report every
 12 December thereafter that reassesses the master plan.

13 SECTION 3. There is appropriated out of the general
 14 revenues of the State of Hawaii the sum of \$ or so much
 15 thereof as may be necessary for fiscal year 2007-2008 for the
 16 task force to carry out the purposes of this Act.

17 The sum shall be expended by the Hawaii high technology
 18 development corporation for the purposes of this Act.

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

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INTRODUCED BY:

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Report Title:

High Technology; High Technology Industry Task Force

Description:

Establishes the high technology industry task force for the State.

