

PROPOSED

HOUSE OF REPRESENTATIVES
TWENTY-FOURTH LEGISLATURE, 2008
STATE OF HAWAII

H.B. NO. 2415
H.D. 1
S.D. 1

A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

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PART I

SECTION 1. Section 206M-15, Hawaii Revised Statutes, is amended by amending subsections (b), (c), and (d) to read as follows:

"(b) The development corporation may provide ~~[grants as follows:~~

~~(1) Up to the lesser of:~~

~~(A) Fifty per cent of the federal small business innovation research phase I award or contract;~~

~~(B) \$25,000 to each business in Hawaii that receives a federal small business innovation research phase I award or contract from any participating federal agency;~~

~~(2) Up to \$25,000 to each business in Hawaii that receives a federal small business technology transfer program award or contract from any participating federal agency; or~~



1 ~~(3) Up to \$3,000 to each business in Hawaii that applies~~
2 ~~for a small business innovation research federal grant~~
3 ~~or small business technology transfer program federal~~
4 ~~grant,]~~

5 a grant to each business in Hawaii that:

6 (1) Receives a federal small business innovation research
7 phase I award or contract, in an amount not to exceed
8 fifty per cent of the amount of the award or contract;

9 (2) Receives a federal small business technology transfer
10 program award or contract from any participating
11 federal agency, in an amount not to exceed fifty per
12 cent of the amount of the award or contract; or

13 (3) Applies for a small business innovation research
14 federal grant, or small business technology transfer
15 program federal grant, in an amount not to exceed
16 \$3,000,

17 subject to the availability of funds.

18 (c) The development corporation shall adopt rules pursuant
19 to chapter 91 that:

20 (1) Specify the qualifications for eligibility of grant
21 applicants;



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1 (2) Establish priorities in determining eligibility in the
2 event that insufficient funds are available to fund
3 otherwise qualified applicants; and

4 (3) Give preference to all qualified businesses receiving
5 their first award [~~in one fiscal year~~] over multiple
6 award grantees.

7 The development corporation may adopt any other rules pursuant
8 to chapter 91 necessary for the purposes of this section.

9 (d) If funds appropriated for the purpose of making grants
10 under this section are inadequate to satisfy all qualified
11 requests, the development corporation [~~shall~~] may apply for
12 funds to be transferred from the Hawaii capital loan revolving
13 fund to provide the grants in accordance with subsection (b).

14 The amount of any single transfer of funds shall not exceed
15 \$100,000, and the development corporation shall transfer the
16 entire amount back to the Hawaii capital loan revolving fund
17 within twelve months of receiving the funds. No more than one
18 fund transfer shall be outstanding at any one time. The
19 director of business, economic development, and tourism may
20 transfer funds from the Hawaii capital loan revolving fund to
21 the development corporation upon request to carry out the



1 purposes of this section. Transfers of funds shall be made
2 without any charges or fees."

3 SECTION 2. Act 255, Session Laws of Hawaii 2006,
4 appropriated \$400,000 for fiscal year 2006-2007 for the high
5 technology development corporation to establish an international
6 business and technology incubator program with Hawaii and China
7 technology businesses, with the program to be implemented
8 through the high technology innovation corporation.

9 Section 3 of this Act repeals the high technology
10 innovation corporation, leaving the funds remaining from the Act
11 255, Session Laws of Hawaii 2006, appropriation to be redirected
12 for other programs providing assistance to technology industry
13 entrepreneurs and start-up companies, pursuant to Act 255.

14 The high technology development corporation shall expend
15 any funds remaining from the appropriation in Act 255, Session
16 Laws of Hawaii 2006, for small business innovation research
17 grants, or small business technology transfer program grants in
18 2008 and 2009. The high technology development corporation
19 shall report to the legislature on these grant expenditures no
20 later than twenty days prior to the regular sessions of 2009 and
21 2010.

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PART II

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1 SECTION 3. Chapter 206M, part IV, Hawaii Revised Statutes,
2 is repealed.

3 SECTION 4. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2008.



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Report Title:

High Technology Development Corporation Loans and Grants

Description:

Part I removes the \$25,000 limit on HTDC grants to recipients of federal small business innovation research phase I awards or contracts, or federal small business technology transfer program awards; retains limit of fifty per cent of the federal award or contract; requires HTDC to expend any remaining 2006-2007 funds on grants in 2008 and 2009 and to report to the 2009 and 2010 legislature on expenditures; part II repeals chapter 206M, part IV, HRS. (SD1)

