

STAND. COM. REP. NO. 1196

Honolulu, Hawaii

March 25, 2009

RE: S.B. No. 523  
S.D. 2  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Economic Revitalization, Business, & Military Affairs, to which was referred S.B. No. 523, 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 Research and Development Loan and Grant Program (Program) to nurture the growth and development of small, innovative, high technology companies by:

- (1) Removing the \$25,000 cap on grants, to allow businesses that receive a federal small business innovation research phase I, or federal small business technology transfer program award or contract, to receive grants of up to 50 percent of the award or contract;
- (2) Allowing a preference to be given to businesses receiving their first award, over multiple award grantees; and
- (3) Removing outdated references to the Hawaii Capitol Loan Revolving Fund which was previously repealed.



The Department of Business, Economic Development, and Tourism, and the High Technology Development Corporation supported this bill.

Your Committee has amended this measure by deleting its contents and inserting the substance of House Bill No. 549, H.D. 1, Regular Session of 2009, with additional amendments. As amended, this measure differs from the bill as referred to your Committee by:

- (1) Requiring, rather than allowing, the High Technology Development Program to provide grants under the Program;
- (2) Deleting provisions allowing a preference to be given to businesses receiving their first award, over multiple award grantees;
- (3) Deleting provisions that remove outdated references to the Revolving Fund; and
- (4) Changing the effective date of the measure to July 1, 2112, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization, Business, & Military Affairs that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 523, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 523, 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  
Revitalization, Business, &  
Military Affairs,



ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-fifth Legislature

**Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs**

<b>Bill/Resolution No.:</b> SB 523 SD2	<b>Committee Referral:</b> EBM, FIN	<b>Date:</b> 3/17/09		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
<b>The recommendation is to:</b> <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. BERG, Lyla B.				x
4. EVANS, Cindy	✓			
5. MANAHAN, Joey				x
<del>6. TAKAI, K. Mark</del>				
7. TOKIOKA, James Kunane	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	✓			
10. WOOLEY, Jessica	✓			
11. WARD, Gene	✓			
<b>TOTAL (11)</b>	8			2
<b>The recommendation is:</b> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align:center; font-size: small;">committee acronym(s)</div>				
<b>Vice Chair's or designee's signature:</b> _____ <div style="text-align:center; font-size: x-large; font-family: cursive;">Isaac W. Choy</div>				
<b>Distribution:</b> Original (White) – Committee            Duplicate (Yellow) – Chief Clerk's Office            Duplicate (Pink) – HMSO				