
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 SECTION 1. The legislature finds that the State has a
2 strong interest in diversifying its economy and promoting the
3 development of innovative companies in the creative and high
4 technology sectors and that programs to support innovative
5 companies and attract investment capital to the State have been
6 successful. For example, the recently completed Follow-on
7 Funding Program assisted Hawaii based companies, such as Kuehnle
8 AgroSystems, Inc. and Oceanit Laboratories, Inc., to
9 successfully commercialize their innovations and attract global
10 customers for their products. The Hawaii employees' retirement
11 system has also successfully implemented a Hawaii Targeted
12 Investment Program that mobilized \$25,000,000 of venture capital
13 for Hawaii-based entrepreneurs.

14 The purpose of this Act is to build on the successful
15 efforts to mobilize private sector venture capital for Hawaii-
16 based small businesses, through the Hawaii venture capital
17 investment programs of Hawaii's institutional investors and the
18 Hawaii strategic development corporation, by establishing a



1 venture accelerator funding program to provide business
2 advisors, mentors, and resources to enable Hawaii's technology
3 entrepreneurs to successfully compete for investment capital.

4 SECTION 2. (a) Notwithstanding the requirements of
5 chapter 42F, Hawaii Revised Statutes, there is established in
6 the Hawaii strategic development corporation a venture
7 accelerator funding program that shall support organizations
8 that closely integrate entrepreneurial support and capital
9 investment to develop technology-based entrepreneurial
10 commercialization outcomes in Hawaii.

11 The purposes of the venture accelerator funding program are
12 to:

- 13 (1) Provide accelerated business development in the fields
14 of information technology, science, engineering, film,
15 and digital media by providing business advisors,
16 mentors, and resources for technology development,
17 transition, and commercialization, and to support the
18 creation of Hawaii-based businesses that are able to
19 successfully compete for venture capital investment;
- 20 (2) Provide seed capital to sustain high-growth new
21 venture company infrastructure development to assist
22 enterprises to succeed commercially;



1 (3) Promote high-quality, high-income job opportunities
2 for Hawaii residents and the graduates of Hawaii's
3 educational institutions; and

4 (4) Reverse the "brain drain" by allowing talented
5 entrepreneurs, scientists, and engineers to return to
6 Hawaii to living-wage jobs.

7 (b) The Hawaii strategic development corporation shall
8 contract with selected organizations and provide program
9 oversight.

10 (c) To receive funding, a Hawaii-based venture accelerator
11 shall:

12 (1) Submit proposals to the corporation for funding in
13 accordance with the seed capital assistance program
14 requirements under part II of chapter 211F, Hawaii
15 Revised Statutes; provided that a substantial portion
16 of the work under the award shall be performed in the
17 State;

18 (2) Submit a budget based on parameters required by the
19 corporation;

20 (3) Execute agreements in accordance with existing
21 corporation contracting requirements; and



1 (4) Submit quarterly and annual reports of project
2 progress.

3 (d) The Hawaii strategic development corporation shall
4 submit a report to the legislature no later than twenty days
5 prior to the regular session of 2013, and annually thereafter
6 until all moneys have been expended, on the activities and
7 expenditures of the venture accelerator funding program.

8 SECTION 3. There is appropriated out of the general
9 revenues of the State of Hawaii the sum of \$5,000,000 or so much
10 thereof as may be necessary for fiscal year 2012-2013 for a
11 venture accelerator funding program to assist organizations that
12 closely integrate entrepreneurial support and capital investment
13 to effectively develop technology-based entrepreneurial
14 commercialization outcomes in Hawaii; provided that up to
15 \$250,000 shall be expended for project oversight of program
16 awardees. The funds shall be appropriated as a grant pursuant
17 to chapter 42F, Hawaii Revised Statutes.

18 The sum appropriated shall be expended by the Hawaii
19 strategic development corporation.

20 SECTION 4. This Act shall take effect on July 1, 2012.



Report Title:

Economic Development; Hawaii Strategic Development Corporation;
Venture Accelerator Funding Program

Description:

Establishes a venture accelerator funding program under the
Hawaii strategic development corporation to assist the State's
technology businesses to compete for investment capital.
Appropriates funds.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

