

Honolulu, Hawaii

May 1, 2012

RE: H.B. No. 2319  
H.D. 2  
S.D. 1  
C.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sirs:

Your Committee on Conference on the disagreeing vote of the House of Representatives to the amendments proposed by the Senate in H.B. No. 2319, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose and intent of this measure is to streamline governmental operations relating to high technology and economic development.

Specifically, this measure:

- (1) Exempts grants made under the community based economic development program from the state procurement code;
- (2) Clarifies that moneys in the hydrogen investment capital special fund shall be expended by the Hawaii Strategic Development Corporation; and



- (3) Repeals the High Technology Innovation Corporation.

Upon further consideration, your Committee on Conference has amended this measure by deleting its content and replacing it with the general substance of H.B. No. 2319, H.D. 2.

As amended, this measure:

- (1) Establishes a venture accelerator funding program under the Hawaii Strategic Development Corporation to:
  - (A) Assist the development of technology businesses in the State, such as information technology, aerospace, science, renewable energy, engineering, and film and digital media production; and
  - (B) Integrate entrepreneurial support and capital investment to develop technology industries in Hawaii;
- (2) Appropriates \$2,000,000, as a grant pursuant to Chapter 42F, Hawaii Revised Statutes, for fiscal year 2012-2013 for the Hawaii Strategic Development Corporation to establish the venture accelerator funding program; and
- (3) Takes effect on July 1, 2012.

Your Committee on Conference finds that the State has a strong interest in diversifying its economy and promoting the growth of innovative technology industries in the State. The creation of a venture accelerator funding program under the Hawaii Strategic Development Corporation will provide a means to support emerging high technology businesses by providing advisors, mentors, and resources that will assist the commercial development of those businesses. The venture accelerator funding program will also assist businesses in attracting venture capital investment to promote commercial success and sustained growth. Your Committee on Conference finds that this measure will promote economic growth and job creation in Hawaii's high technology sectors and provide opportunities for Hawaii's talented entrepreneurs, scientists, and engineers.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of



H.B. No. 2319, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Final Reading in the form attached hereto as H.B. No. 2319, H.D. 2, S.D. 1, C.D. 1.

Respectfully submitted on behalf of the managers:

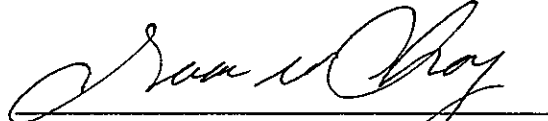
ON THE PART OF THE SENATE

ON THE PART OF THE HOUSE

  
CAROL FUKUNAGA, Chair

  
ANGUS L.K. MCKELVEY, Co-Chair

  
MICHELLE N. KIDANI, Co-Chair

  
ISAAC W. CHOY, Co-Chair



