

Honolulu, Hawaii

March 16, 2012

RE: S.B. No. 2239
S.D. 1
H.D. 1

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

Sir:

Your Committee on Economic Revitalization & Business, to which was referred S.B. No. 2239, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose of this measure as received by your Committee is to:

- (1) Exempt grants made under the Community-based Economic Development Program from the Procurement Code;
- (2) Clarify that moneys in the Hydrogen Investment Capital Special Fund are to be expended by the Hawaii Strategic Development Corporation; and
- (3) Abolish the High Technology Innovation Corporation.

Your Committee circulated Proposed S.B. No. 2239, S.D. 1, H.D. 1 (Proposed Draft) and notified the public that it would be accepting testimony on the proposal which, among other things:

- (1) Establishes a Venture Accelerator Funding Program within the Hawaii Strategic Development Corporation to support organizations that closely integrate entrepreneurial support and capital investment to develop technology-



based entrepreneurial commercialization outcomes in Hawaii;

- (2) Requires an annual report to the Legislature on the activities and expenditures of the Venture Accelerator Funding Program until all moneys have been expended; and
- (3) Appropriates \$5,000,000 for the Venture Accelerator Funding Program, of which up to \$250,000 is to be expended for project oversight of program awardees.

The Department of Business, Economic Development, and Tourism; High Technology Development Corporation; Hawaii Strategic Development Corporation; Hawai'i Innovation Alliance; StartupHui LLC; Hawaii Venture Capital Association; a member of the Hawaii Strategic Development Corporation Board; and several concerned individuals testified in support of the Proposed Draft.

Your Committee has adopted the Proposed Draft with the following amendments:

- (1) Leaving the appropriation amount unspecified;
- (2) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2239, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2239, S.D. 1, H.D. 1, and be referred to the Committee on Energy & Environmental Protection.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Revitalization & Business,



ANGUS L.K. MCKELVEY, Chair



HSCR 1080-12

State of Hawaii
House of Representatives
The Twenty-sixth Legislature

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: SB 2239, SD1 (SSCR 2606)	Committee Referral: ERB, EEP, FIN	Date: 3/13/12		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <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)				
ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom				✓
5. EVANS, Cindy	✓			
6. HASHEM, Mark J.	✓			
7. NISHIMOTO, Scott Y.				✓
8. TOKIOKA, James Kunane	✓			
9. TSUJI, Clift	✓			
10. MARUMOTO, Barbara C.	✓			
11. PINE, Kymberly Marcos				✓
TOTAL (11)	8	—	—	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <i>Isaac W. Choy</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				