
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

PART I

1
2 SECTION 1. The legislature finds that the State has a
3 public interest in diversifying its economy and promoting the
4 development of high-growth, entrepreneurial businesses. Job
5 creation is at the top of every state's policy agenda. Recent
6 reports from the National Governors Association have highlighted
7 the importance of fostering an entrepreneurial environment and
8 supporting high-growth businesses as a proven approach to
9 creating high wage jobs.

10 Successful economic development outcomes in other states
11 have demonstrated the effectiveness of a comprehensive state-
12 level program establishing an entrepreneurial ecosystem that
13 fosters entrepreneurialism, commercialization, and business
14 formation capabilities needed by high-growth businesses. This
15 comprehensive program must have input and support from the key
16 stakeholders in the entrepreneurial ecosystem: private
17 industry, investors, universities, and government. Finally,
18 this comprehensive program must have sufficient resources to



1 provide the pace and scale of investment needed to make it
2 effective.

3 The purpose of this part is to enable the Hawaii strategic
4 development corporation to implement an investment program, the
5 HI growth initiative, that will be used to establish an
6 innovation ecosystem that supports entrepreneurial high-growth
7 businesses and creates high-wage jobs through research
8 commercialization, entrepreneur mentoring, and the mobilization
9 of startup investment capital.

10 SECTION 2. There is appropriated out of the general
11 revenues of the State of Hawaii the sum of \$10,000,000 or so
12 much thereof as may be necessary for fiscal year 2013-2014 and
13 the same sum or so much thereof as may be necessary for fiscal
14 year 2014-2015 to be deposited into the Hawaii strategic
15 development corporation revolving fund.

16 SECTION 3. There is appropriated out of the Hawaii
17 strategic development corporation revolving fund the sum of
18 \$10,000,000 or so much thereof as may be necessary for fiscal
19 year 2013-2014 and the same amount or so much thereof as may be
20 necessary for fiscal year 2014-2015 to implement the HI growth
21 initiative; provided that \$500,000 or so much thereof as may be
22 necessary in each fiscal year shall be expended for program



1 development, program management, and oversight of program
2 awardees.

3 The sums appropriated shall be expended by the Hawaii
4 strategic development corporation for the purposes of this part.

5 SECTION 4. The Hawaii strategic development corporation
6 shall submit an annual report on the activities and expenditures
7 of the HI growth initiative to the legislature no later than
8 twenty days prior to the convening of each regular session,
9 beginning with the regular session of 2014.

10 **PART II**

11 SECTION 5. Section 26-18, Hawaii Revised Statutes, is
12 amended by amending subsection (b) to read as follows:

13 "(b) The following are placed in the department of
14 business, economic development, and tourism for administrative
15 purposes as defined by section 26-35: Aloha Tower development
16 corporation, Hawaii community development authority, Hawaii
17 housing finance and development corporation, high technology
18 development corporation, land use commission, natural energy
19 laboratory of Hawaii authority, and any other boards and
20 commissions as shall be provided by law.

21 The department of business, economic development, and
22 tourism may develop, enter into, and implement inter-agency



Report Title:

Hawaii Strategic Development Corporation; HI Growth Initiative;
Department of Business, Economic Development, and Tourism;
Inter-Agency Agreements

Description:

Appropriates funds to the Hawaii strategic development Corporation to establish the HI growth initiative, an investment program to develop an ecosystem to support high-growth entrepreneurial companies in the State. Authorizes the department of business, economic development, and tourism to develop, enter into, and implement inter-agency agreements with agencies, boards, and commissions attached to the department of business, economic development, and tourism without the parties entering into a memorandum of agreement or memorandum of understanding. (Proposed SD1)

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