

S.B. NO. 2832

JAN 23 2014

A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

1 SECTION 1. Section 206M-15, Hawaii Revised Statutes, is
2 amended as follows:

3 1. By amending subsection (b) to read as follows:

4 "(b) The development corporation may provide grants to any
5 business in Hawaii that:

6 (1) Receives [a] federal small business innovation
7 research phase I [~~award or contract~~] , II, or III
8 awards or contracts from any participating federal
9 agency, up to fifty per cent of the amount of the
10 federal award or contract;

11 (2) Receives a federal small business technology transfer
12 program award or contract from any participating
13 federal agency, up to fifty per cent of the amount of
14 the federal award or contract; or

15 (3) Applies for a small business innovation research
16 federal grant or a small business technology transfer
17 program federal grant, in an amount not to exceed
18 \$3,000, subject to the availability of funds."

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2 2. By amending subsection (d) to read as follows:

3 "(d) If funds appropriated for the purpose of making
4 grants under this section are inadequate to satisfy all
5 qualified requests, the development corporation shall apply for
6 funds to be transferred from the Hawaii capital loan revolving
7 fund to provide the grants in accordance with subsection (b).8 The amount of any single transfer of funds shall not exceed
9 [~~\$100,000,~~ \$500,000, and the development corporation shall
10 transfer the entire amount back to the Hawaii capital loan
11 revolving fund within twelve months of receiving the funds. No
12 more than one fund transfer shall be outstanding at any one
13 time. The director of business, economic development, and
14 tourism may transfer funds from the Hawaii capital loan
15 revolving fund to the development corporation upon request to
16 carry out the purposes of this section. Transfers of funds
17 shall be made without any charges or fees."18 SECTION 2. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

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1 SECTION 3. This Act, upon its approval, shall take effect
2 on July 1, 2014.

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INTRODUCED BY: *Anne Meredeth*

BY REQUEST

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Report Title:

High Technology Development Corporation; Small Business
Innovation Research Grants; Hawaii Capital Loan Revolving Fund

Description:

Amends section 206M-15, Hawaii Revised Statutes, to add Phase II or III Small Business Innovation Research grants to qualifying criteria. Increases the ceiling on transfers from the Hawaii Capital Loan Revolving Fund from \$100,000 to \$500,000.

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

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JUSTIFICATION SHEET

DEPARTMENT: Office of the Governor

TITLE: A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY.

PURPOSE: To diversify Hawaii's economy, a high technology transfer bridge to manufacturing is needed to support our local tech industry. This Act will broaden the existing program to include funding at Phase II or Phase III stages. Also increases the ceiling on transfers from the Hawaii capital loan revolving fund from \$100,000 to \$500,000.

MEANS: Amend section 206M-15 (b) and (d), Hawaii Revised Statutes.

JUSTIFICATION: The high technology transfer bridge to manufacturing will build upon Hawaii's SBIR grant program and fill a critical gap in funding new ideas and technologies to enter the marketplace. Ultimately this will result in the growth of the high technology industry and the launch of new economic sources and intellectual property and innovation in Hawaii.

Impact on the public: Increased diversification of Hawaii's economy into high technology manufacturing will benefit small businesses and entrepreneurs statewide.

Impact on the department and other agencies:
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM DESIGNATION: BED 143.

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OTHER AFFECTED
AGENCIES: None.

EFFECTIVE DATE: July 1, 2014.