

Honolulu, Hawaii  
**February 11**, 2014

RE: H.B. No. 2282  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2282 entitled:

"A BILL FOR AN ACT RELATING TO HIGH TECHNOLOGY,"

begs leave to report as follows:

The purpose of this measure is to move Hawaii towards a more diversified economy and assist small businesses conducting innovative research with their efforts toward commercialization by:

- (1) Adding the receipt of Phase II or III Small Business Innovation Research awards or contracts from any participating federal agency to the qualifying criteria for businesses to receive grants from the High Technology Development Corporation; and
- (2) Increasing the ceiling on transfers from the Hawaii Capital Loan Revolving Fund for the High Technology Development Corporation to provide grants from \$100,000 to \$500,000.

The Office of the Governor, High Technology Development Corporation, Oceanit, Trex Enterprises, TeraSys Technologies, and several concerned individuals testified in support of this measure.



Since 1989, the High Technology Development Corporation has been assisting Phase I Small Business Innovation Research awarded companies reach their commercial potential through the provision of grants. This has proven to be successful for both the business awarded the grant and the State given that every dollar invested through this grant program has been leveraged to attract approximately \$16 in federal funds as well as commercialization funding. Expanding the scope of the grant program will allow for more companies to achieve commercialization and increase the beneficial economic impacts of this program to the State.

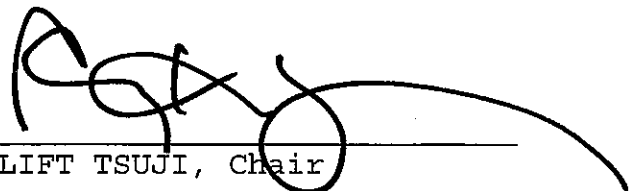
Your Committee has amended this measure by:

- (1) Changing the increase in the ceiling on transfers from the Hawaii Capital Loan Revolving Fund for the High Technology Development Corporation to provide grants from \$500,000 to an unspecified amount;
- (2) Changing its effective date to January 20, 2050, to facilitate further discussion; and
- (3) Making technical nonsubstantive amendments for the purposes of clarity, consistency, and style.

Should the Committee on Finance deliberate on this measure, your Committee respectfully requests that it consider increasing the ceiling on the transfer of funds for the provision of grants from \$100,000 to \$500,000.

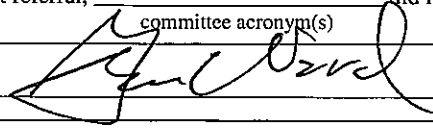
As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2282, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2282, H.D. 1, and be referred to the Committee on Finance.

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

  
CLIFT TSUJI, Chair



**Record of Votes of the Committee on Economic Development & Business**

Bill/Resolution No.: <b>HB2282</b>	Committee Referral: <b>EDB, FIN</b>	Date: <b>2/4/14</b>		
<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)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. WARD, Gene (VC)	/			
3. AWANA, Karen				/
4. BROWER, Tom	/			
5. CACHOLA, Romy M.	/			
6. ITO, Ken				/
7. CHOY, Isaac W.	/			
8. OHNO, Takashi				/
9. ONISHI, Richard H.K.	/			
10. TOKIOKA, James Kunane	/			
11. WOOLEY, Jessica	/			
<b>TOTAL (11)</b>	<b>8</b>			<b>3</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				