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# A BILL FOR AN ACT

RELATING TO THE DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT,  
AND TOURISM.

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

1 PART I

2 SECTION 1. The legislature finds that duplicate agency  
3 programs result in an ineffective use of resources. Inter-  
4 agency agreements provide agencies with an opportunity to  
5 streamline and expedite agreements through the coordination of  
6 resources and elimination of unnecessary duplication, without  
7 entering into a memorandum of agreement or memorandum of  
8 understanding.

9 The purpose of this part is to require that state agencies  
10 implement inter-agency agreements without entering into a  
11 memorandum of agreement or memorandum of understanding.

12 SECTION 2. Chapter 201, Hawaii Revised Statutes, is  
13 amended by adding a new section to be appropriately designated  
14 and to read as follows:

15 "§201- Inter-agency agreements; memoranda of agreement;  
16 memoranda of understanding. (a) The department of business,



1 economic development, and tourism shall develop and any state  
2 agency shall enter into and implement inter-agency agreements to  
3 coordinate resources, eliminate unnecessary duplication, and  
4 effectuate the purposes of their respective chapter, without  
5 entering into a memorandum of agreement or memorandum of  
6 understanding.

7 (b) In addition to any other terms or conditions required  
8 by law, any inter-agency agreement between the department and a  
9 state agency, office, department, or other administrative  
10 subdivision shall contain the following:

- 11 (1) A termination date;
- 12 (2) A statement of intent and purpose;
- 13 (3) Terms specifying the extent of the inter-agency  
14 agreement's applicability; and
- 15 (4) Terms under which the inter-agency agreement may be  
16 modified or extended."

17 PART II

18 SECTION 3. The legislature finds that diversifying the  
19 economy is critical to the future of the State.

20 Accordingly, the purpose of this part is to establish the  
21 high-growth grant program within the department of business,



1 economic development, and tourism to assist qualified businesses  
2 by providing grants for specific business development purposes.

3 SECTION 4. Chapter 201, Hawaii Revised Statutes, is  
4 amended by adding a new section to part I to be appropriately  
5 designated and to read as follows:

6 "§201- High-growth grant program; high-growth grant  
7 program special fund; established. (a) There is established  
8 within the department a business development grant program that  
9 shall be known as the high-growth grant program. The high-  
10 growth grant program shall assist qualified businesses by  
11 providing grants to:

- 12 (1) Expand business operations;
- 13 (2) Improve business productivity; or
- 14 (3) Invest in food safety or quality control programs.

15 (b) The department shall issue grants to finance:

- 16 (1) Equipment purchases;
- 17 (2) Management and workforce training;
- 18 (3) Infrastructure improvements; and
- 19 (4) Consulting or feasibility studies.

20 (c) There is established in the state treasury the high-  
21 growth grant special fund to be administered by the department



1 and into which shall be deposited appropriations made by the  
2 legislature to the fund. Moneys in the special fund shall be  
3 used for the purposes of this section.

4 (d) The high-growth grant program shall provide grants to  
5 qualified businesses in an amount no greater than forty per cent  
6 of the amount that is privately invested in a business for one  
7 or more of the purposes set forth in subsection (a); provided  
8 that the program shall provide no more than \$400,000 to any  
9 specific qualified business in one calendar year.

10 (e) The department shall adopt rules pursuant to chapter  
11 91 to implement this section.

12 (f) As used in this section, "qualified business" means a  
13 business that has:

- 14 (1) Been in business for at least two full years; and
- 15 (2) Demonstrated the ability to export products."

16 SECTION 5. There is appropriated out of the general  
17 revenues of the State of Hawaii the sum of \$                    or so much  
18 thereof as may be necessary for fiscal year 2016-2017 to be  
19 deposited into the high-growth grant special fund.

20 SECTION 6. There is appropriated out of the high-growth  
21 grant special fund the sum of \$                    or so much thereof as



1 may be necessary for fiscal year 2016-2017 for the high-growth  
2 grant program to provide grants to qualified businesses;  
3 provided that no more than \$100,000 may be used to administer  
4 the program.

5 The sum appropriated shall be expended by the department of  
6 business, economic development, and tourism for the purposes of  
7 this part.

8 PART III

9 SECTION 7. New statutory material is underscored.

10 SECTION 8. This Act shall take effect on July 1, 2050;  
11 provided that part II of this Act shall take effect on February  
12 19, 2022.



**Report Title:**

Inter-agency Agreements; DBEDT; Business Development; Grant Program; Special Fund; Established; Appropriation

**Description:**

Requires DBEDT to develop, and state agencies to enter into, inter-agency agreements without entering into a memorandum of agreement or memorandum of understanding. Establishes the high-growth grant program and special fund to provide grants to qualified businesses for certain business development activities. Makes an appropriation. (SB3102 HD1)

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

