STAND. COM. REP. NO. 23-16

Honolulu, Hawaii **February 12**, 2016 RE: H.B. No. 2194 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Eighth State Legislature Regular Session of 2016 State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred H.B. No. 2194 entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII,"

begs leave to report as follows:

The purpose of this measure is to support technology transfer at the University of Hawaii as well as uphold the State Ethics Code by:

- Requiring the State Ethics Commission to consider the research compliance program of the University of Hawaii in rendering advisory opinions concerning technology transfer activities conducted by the University of Hawaii;
- (2) Allowing the State Ethics Commission to permit technology transfer arrangements as long as such arrangements are likely to create specific benefits to the State or the public; and
- (3) Requiring the University of Hawaii to submit an annual report to the Legislature regarding the University's technology transfer activities.



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The University of Hawaii and The Chamber of Commerce of Hawaii supported this measure. The High Technology Development Corporation supported the intent of the measure. The Hawaii State Ethics Commission opposed the measure.

Your Committee supports activities by the University of Hawaii that are designed to transfer new technology and ideas created from research at university laboratories and faculty offices to society at large. In addition, commercialization of research at the University can stimulate and diversify the local economy. To further support technology transfer activities at the University, your Committee has adopted proposed amendments from the Hawaii State Ethics Commission.

The Ethics Commission recommended a complete exemption from Chapter 84, Hawaii Revised Statutes. The Commission acknowledged that the Legislature would like the Commission to be able to consider the unique aspects of technology transfer when applying state law. Staff of the Ethics Commission suggested a blanket exemption from Chapter 84, Hawaii Revised Statutes, because it would both fulfill the intent of the Legislature and create a bright line in the application of Chapter 84, Hawaii Revised Statutes, to technology transfer activities.

Your Committee has amended this measure by:

- (1) Expressly exempting employees of the University of Hawaii who are directly involved in the research or development of technology that is sponsored and approved by the University of Hawaii from Chapter 84, Hawaii Revised Statutes, when performing activities in the transfer and commercialization of the technology;
- (2) Adding a definition of "technology";
- (3) Changing its effective date to July 1, 2525, to facilitate further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.



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As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2194, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2194, H.D. 1, and be referred to your Committee on Judiciary.

> Respectfully submitted on behalf of the members of the Committee on Higher Education,

w ÍSAAC W. CHOY, Chair



## State of Hawaii House of Representatives The Twenty-eighth Legislatu

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## Record of Votes of the Committee on Higner Education

	ittee Referral: D JUD F	EIN Date:	21211	, L			
The committee is reconsidering its previous deci	sion on the measure.	<u> </u>		•••••••			
The recommendation is to: <ul> <li>Pass, unamended (as is)</li> <li>Pass, with amendments (HD)</li> <li>Hold</li> <li>Pass short form bill with HD to recommit for future public hearing (recommit)</li> </ul>							
HED Members	Ayes	Ayes (WR)	Nays	Excused			
1. CHOY, Isaac W. (C)							
2. ICHIYAMA, Linda (VC)							
3. AQUINO, Henry J.C.							
4. ING, Kaniela							
5. ITO, Ken	I						
6. KONG, Sam Satoru							
7. OHNO, Takashi	<b>/</b>						
8. SAY, Calvin K.Y.							
9. TAKUMI, Roy M.	✓ ✓						
10. TSUJI, Clift							
11. MATSUMOTO, Lauren Kealohilani							
12. TUPOLA, Andria P.L.							
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TOTAL (12)	l ll	D	D				
The recommendation is: Adopted If joint referral, did not support recommendation.							
Vice Chair's or designee's signature:							
Distribution: Original (White) Committee Duplicate (Yellow) Chief Clerk's Office Duplicate (Pink) HMSO							