

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:

- (1) 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.



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.

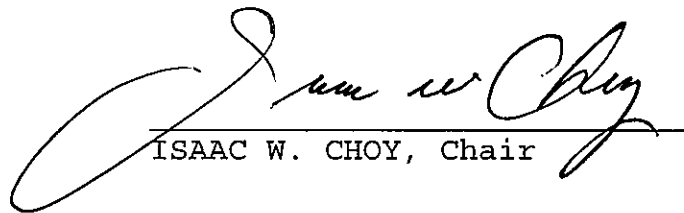
Your Committee has amended this measure by:

- (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.



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,

  
ISAAC W. CHOY, Chair



