

STAND. COM. REP. NO. 3018

Honolulu, Hawaii

MAR 23 2016

RE: H.B. No. 2219  
H.D. 1  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Economic Development, Environment, and Technology, to which was referred H.B. No. 2219, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INNOVATION BUSINESS INTERACTION,"

begs leave to report as follows:

The purpose and intent of this measure is to establish a commercialization loan program, known as the Hawaii impact loan program for commercialization (HI-impact), to support Hawaii-based small businesses in the fields of dual-use technologies, tourism-technology, agriculture-technology, sports-technology, finance-technology, building and construction-technology, life science-technology, biomedical engineering-technology, aerospace-technology, and other cross-industry collaborations, excluding energy generation technology.

Your Committee received testimony in support of this measure from the High Technology Development Corporation, Chamber of Commerce Hawaii, and Oceanit. Your Committee received testimony in opposition to this measure from the Department of Budget and Finance.

Your Committee finds that to be successful in the twenty-first century global economy, Hawaii must position itself as a leader in technology development, transfer, and commercialization. Although significant progress has been made by federal and state initiatives and programs administered by the High Technology



Development Corporation, Hawaii Strategic Development Corporation, and Hawaii Technology Development Venture, more is required for Hawaii's technology industry to achieve local technology commercialization and success in the global marketplace.

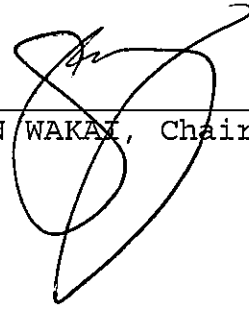
Your Committee has amended this measure by:

- (1) Renaming the program as the impact loan fund of Hawaii and the special fund as the HI-impact special fund;
- (2) Replacing the term "sports-technology" with "ocean recreational-technology";
- (3) Clarifying that qualified proposals be submitted to the High Technology Development Corporation, rather than the HI-Impact administrator;
- (4) Deleting language that would have required a Hawaii-based business seeking funding to commit a fifty percent match of the loan, in cash or in-kind;
- (5) Requiring a Hawaii-based business seeking funding to:
  - (A) Secure a contract or purchase order from a customer company equal to or greater than ten per cent of the convertible debt loan;
  - (B) Submit a technical budgeted plan of work to meet the customer's needs; and
  - (C) Include a justification letter of commitment from the customer company explaining how the business case will help the company and its commitment to purchase; and
- (6) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Environment, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2219, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2219, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development, Environment, and  
Technology,



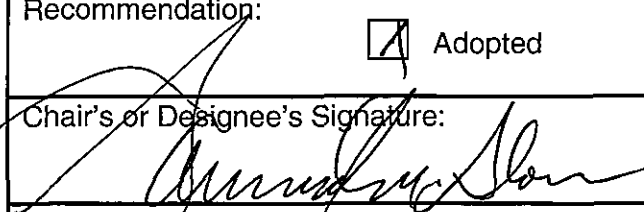
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GLENN WAKAI, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development, Environment, and Technology**  
**EET**

Bill / Resolution No.:*	Committee Referral:	Date:
HR 2219 HD1	EET, WAM	3/16/16
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____		
The Recommendation is:		
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310
<input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)
Nay	Excused	
WAKAI, Glenn (C)	X	
SLOM, Sam (VC)	X	
BAKER, Rosalyn H.		X
ESPERO, Will	X	
GALUTERIA, Brickwood		X
IHARA, Jr., Les	X	
KEITH-AGARAN, Gilbert S.C.	X	
RUDERMAN, Russell E.		X
THIELEN, Laura H.		X
<b>TOTAL</b>	5	0
0	0	4
Recommendation:		
<input checked="" type="checkbox"/> Adopted	<input type="checkbox"/> Not Adopted	
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

\*Only one measure per Record of Votes