

Honolulu, Hawaii

February 11, 2016

RE: H.B. No. 2288
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 Economic Development & Business, to which was referred H.B. No. 2288 entitled:

"A BILL FOR AN ACT RELATING TO THE HI GROWTH INITIATIVE,"

begs leave to report as follows:

The purpose of this measure is to promote and encourage innovation and entrepreneurship in Hawaii by annually depositing \$5,000,000 of Corporation Income Tax collections over a five year period into the Hawaii Strategic Development Corporation Revolving Fund to be used by the Hawaii Strategic Development Corporation for the HI Growth Initiative.

The Department of Business, Economic Development and Tourism; Hawaii Strategic Development Corporation; High Technology Development Corporation; Blue Startups; Chamber of Commerce Hawaii; The Cut Collective; Nobscot Corporation/JamBios, Inc.; Mian Wings, LLC; Mpower Pictures; Grassroots News International; DevLeague; Honua Studios; Ring of Fire Films, Inc.; Kona Snow Productions; GVS Accelerator; GVS Connect; Josh Harmsworth Productions; Startup Capital Ventures; Ten Tomorrow; Jumping Flea Productions; Oceanna LLC; GVS Transmedia Accelerator; Twenty20Sound; mbloom Ventures; Energy Excelerator; Building Industry Association of Hawaii; and numerous concerned individuals testified in support of this measure. One individual provided comments.



Your Committee finds that Hawaii must continue to find ways to diversify its economy to ensure long-term economic viability. To achieve this important goal, investments must be made in business mentoring and development, and resources must be allocated to attract private-public capital to develop new business industries. The HI Growth Initiative, a comprehensive equity investment program, was established for such a purpose and has been designed to support the development of an innovation economy. In addition to encouraging entrepreneurial high growth business development and the creation of high wage jobs for Hawaii's people, the HI Growth Initiative helps to keep Hawaii's established industries competitive and creates new areas of opportunities for entrepreneurs. Providing funding to support the HI Growth Initiative will promote and encourage innovation and entrepreneurial activities that will ultimately benefit the economy of the State.

Your Committee has amended this measure by:

- (1) Changing the amount of Corporation Income Tax collections deposited into the Hawaii Strategic Development Corporation Revolving Fund from \$5,000,000 to an unspecified amount; and
- (2) Changing its effective date to July 1, 2050, to facilitate further discussion.

Should the Committee on Finance deliberate this measure further, your Committee on Economic Development & Business respectfully requests that it consider authorizing the deposit of Corporation Income Tax collections in the amount of \$5,000,000 annually over a five year period into the Hawaii Strategic Development Corporation Revolving Fund.

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. 2288, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2288, H.D. 1, and be referred to your Committee on Finance.



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



DEREK S.K. KAWAKAMI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 167-16

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 2288	Committee Referral: EDB, FIN	Date: 5 FEB 16		
<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. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. DeCOITE, Lynn	✓			
7. ITO, Ken				✓
8. OHNO, Takashi	✓			
9. ONISHI, Richard H.K.	✓			
10. TOKIOKA, James Kunane	✓			
11. TSUJI, Clift	✓			
12. WOODSON, Justin H.	✓			
13. MATSUMOTO, Lauren Kealohilani	✓			
14. WARD, Gene	✓			
TOTAL (14)	13			1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>James S. King</i></u>				
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