

Honolulu, Hawaii
February 18, 2016

RE: H.B. No. 2545
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. 2545 entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to stimulate and diversify Hawaii's economy by establishing the High-growth Grant Program to financially assist qualified businesses through the provision of grants for specific business development purposes.

The Chamber of Commerce Hawaii testified in support of this measure. The Department of Business, Economic Development and Tourism testified in support of the intent of this measure. The Department of Budget and Finance provided comments.

Diversifying the economy is critical to the future of the State. However, one barrier to economic diversification and growth is the lack of necessary capital to expand business operations and improve productivity and quality control. This includes capital to purchase equipment, provide workforce and management training, improve a business's infrastructure, and conduct consulting or feasibility studies. Your Committee finds that providing financial assistance in the form of grants to qualified businesses for their expansion and growth will not only be beneficial to the business, but will enhance the overall economy of the State.



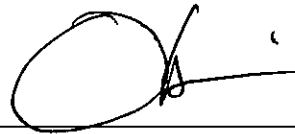
Your Committee has amended this measure by:

- (1) Changing the appropriations into and out of the High-growth Grant Program Special Fund from \$4,000,000 to unspecified amounts; and
- (2) Changing its effective date to February 19, 2022, to facilitate further discussion.

Should your Committee on Finance deliberate on this measure further, your Committee on Economic Development and Business respectfully requests that it consider appropriating \$4,000,000 into and out of the High-growth Grant Program Special 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. 2545, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2545, 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



