

STAND. COM. REP. NO.

816

Honolulu, Hawaii

MAR 06 2015

RE: S.B. No. 1003
S.D. 1

Honorable Donna Mercado Kim
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred S.B. No. 1003 entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

begs leave to report as follows:

The purpose and intent of this measure is to promote economic gains and job creation. Specifically, this measure:

- (1) Allows the Hawaii small business innovation research program to award matching grants to those who have received federal small business innovation research phase II and phase III awards; and
- (2) Repeals the requirement that the High Technology Development Corporation adopt rules relating to certain parts of the Hawaii small business innovation research program.

Your Committee received written comments in support of this measure from Oceanit Laboratories, Inc., The Chamber of Commerce of Hawaii, Hawaii Aquaculture and Aquaponics Association, Hawaii Cattlemen's Council, Hawaii Fish Company, Inc., and three individuals. Your Committee received comments on this measure from the High Technology Development Corporation.

Your Committee finds that the federal small business innovation research program is a competitive program that helps small businesses grow and succeed by awarding moneys for research

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and development. Hawaii small businesses face many disadvantages in the competition for research and development funds. Allowing businesses that receive a Phase II or III federal award to qualify for state grants will enable Hawaii small businesses to leverage funds that are essential to achieving the development and commercialization of their intellectual property.

Your Committee also finds that since 1989, only recipients of the federal program's phase I awards may receive matching funds from the Hawaii program. Additionally, for every one dollar the Hawaii program has invested through this program, Hawaii companies have twenty federal dollars into the State. Your Committee believes that by increasing the amount of federal awardees that can receive matching state funds, the state economy will see an increase in federal moneys brought to the State.

Your Committee further finds that the High Technology Development Corporation should retain its rulemaking authority to ensure the effective administration of the matching grant program.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the repeal of the High Technology Development Corporation's rulemaking authority under section 206M-15(c), Hawaii Revised Statutes; and
- (2) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1003, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1003, S.D. 1.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

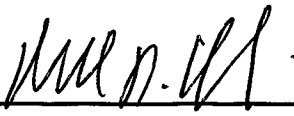


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB1003	Committee Referral: EDT, WAM	Date: 2/26/15		
<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
TOKUDA, Jill N. (C)	✓			
KOUCHI, Ronald D. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani	✓			
GALUTERIA, Brickwood	✓			
HARIMOTO, Breene	✓			
INOUYE, Lorraine R.	✓			
RIVIERE, Gil	✓			
RUDERMAN, Russell E.	✓			
SLOM, Sam	✓			
TOTAL	11	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <div style="text-align:right; font-family: cursive; font-size: 1.2em;">  </div>				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes