

STAND. COM. REP. NO.

2395

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2940  
S.D. 1

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

Sir:

Your Committees on Higher Education and the Arts and Economic Development, Environment, and Technology, to which was referred S.B. No. 2940 entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY TRANSFER AT THE UNIVERSITY OF HAWAII,"

beg leave to report as follows:

The purpose and intent of this measure is to clarify and modernize the application of state ethics principles that are set forth in the State Ethics Code to technology transfer activities sponsored by the University of Hawaii.

Your Committees received testimony in support of this measure from the University of Hawaii System, University of Hawaii Professional Assembly, High Technology Development Corporation, Chamber of Commerce Hawaii, and Hawaii Business Roundtable. Your Committees received testimony in opposition to this measure from the Hawaii State Ethics Commission and one individual.

Your Committees find that the timely and efficient commercialization of intellectual property created by the University of Hawaii's basic and applied research has valuable contributions to the economic health and diversification of the State. The Legislature has historically funded efforts by state agencies to promote entrepreneurial development, research commercialization, and access to startup investment capital. Your Committees find that the Board of Regents of the University of Hawaii has established a regulatory framework and compliance



program to balance the unique benefits and ethical issues specific to university research and technology transfer, and that the program incorporates long-standing ethical research principles and technology transfer regulations currently used by the federal government. Your Committees find that clarifying sections of the State Ethics Code to exempt technology transfer activities will facilitate technology transfer at the University and benefit the State's economy.

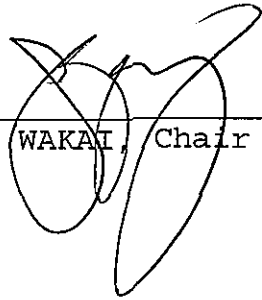
Your Committees have amended this measure by:

- (1) Upon the recommendation of the State Ethics Commission, removing the provision exempting technology transfer activities sponsored by the University from certain sections of the State Ethics Code and replacing it with language exempting University employees who are directly involved in the research or development of technology sponsored and approved by the University from the State Ethics Code when performing technology transfer activities;
- (2) Moving the University's reporting requirement related to technology transfer activities from the State Ethics Code and inserting the requirement into the Hawaii Revised Statutes chapter relating to the University; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Higher Education and the Arts and Economic Development, Environment, and Technology that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 2940, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 2940, S.D. 1, and be referred to your Committee on Judiciary and Labor.

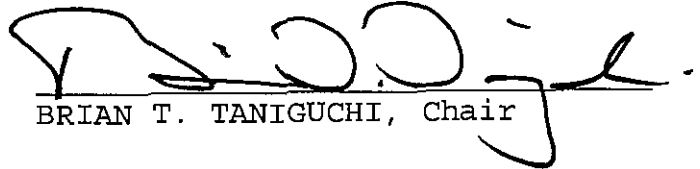


Respectfully submitted on  
behalf of the members of the  
Committees on Higher Education  
and the Arts and Economic  
Development, Environment, and  
Technology,



---

GLENN WAKAI, Chair



---

BRIAN T. TANIGUCHI, Chair



The Senate  
 Twenty-Eighth Legislature  
 State of Hawai'i

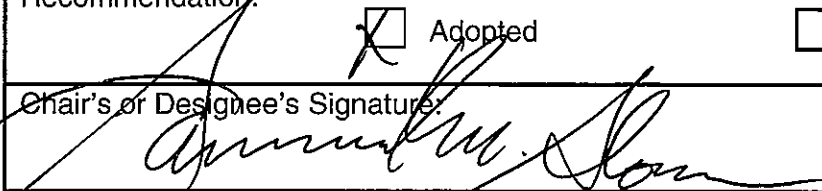
**Record of Votes**  
**Committee on Higher Education and the Arts**  
**HEA**

Bill / Resolution No.:* <i>SB 2940</i>	Committee Referral: <i>HEA/EET, JDL</i>	Date: <i>2-11-16</i>		
<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
TANIGUCHI, Brian T. (C)	/			
GABBARD, Mike				✓
KIDANI, Michelle N.	/			
SLOM, Sam	/			
<b>TOTAL</b>	<i>3</i>			<i>1</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Twenty-Eighth Legislature  
State of Hawai'i

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

Bill / Resolution No.:* <i>SB 2940</i>	Committee Referral: <i>HEA/EET, JDL</i>	Date: <i>2/11/16</i>		
<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>	<i>5</i>	<i>0</i>	<i>0</i>	<i>4</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution:            Original                      Yellow                      Pink                      Goldenrod File with Committee Report    Clerk's Office            Drafting Agency        Committee File Copy				

\*Only one measure per Record of Votes