

Honolulu, Hawaii

March 23, 2016

RE: S.B. No. 3110
S.D. 1
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 S.B. No. 3110, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TECHNOLOGY,"

begs leave to report as follows:

The purpose of this measure is to continue efforts to diversify Hawaii's economy, assist small businesses conducting innovative research with their efforts toward commercialization, and promote manufacturing by extending, by one year, the lapse date for the appropriation of funds for the Department of Business, Economic Development, and Tourism to provide grants and loans through the High Technology Development Corporation for federal small business innovation research phase II and phase III awards.

The Chamber of Commerce of Hawaii and Oceanit testified in support of this measure. The High Technology Development Corporation testified in support of the intent of this measure.

Since 1989, the High Technology Development Corporation has been assisting Phase I Small Business Innovation Research awarded companies reach their commercial potential through the provision of grants. This has proven to be successful for both the business awarded the grant and the State given that every dollar invested through this grant program has been leveraged to attract approximately \$20 in federal funds as well as commercialization funding. Recognizing this success, the Legislature enacted Act



216, Session Laws of Hawaii, 2016, which expanded the scope of the grant program to allow for more companies to achieve commercialization and increase the beneficial economic impacts of this program to the State. Your Committee finds that this measure will ensure the continuation of awarding small business innovation research grants by the High Technology Development Corporation.

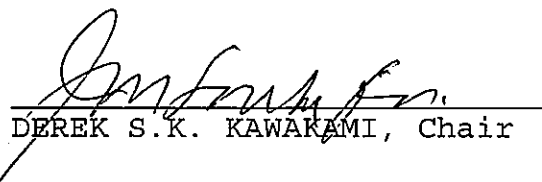
Your Committee notes that the High Technology Development Corporation has stated that it anticipates awarding all of the funds appropriated for fiscal year 2015-2016 and that an additional appropriation would better allow for the continuation of the grant program. Accordingly, your Committee has amended this measure by appropriating additional funds for fiscal year 2016-2017 for the Corporation to provide grants and loans for phase II and III awards.

Technical, nonsubstantive amendments were also made for clarity, consistency, and style.

Should your Committee on Finance deliberate this measure further, your Committee on Economic Development and Business requests that it consider appropriating \$2,000,000 for the provision of grants and loans for federal small business innovation research phase II and phase III awards for fiscal year 2016-2017.

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 S.B. No. 3110, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3110, S.D. 1, 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,

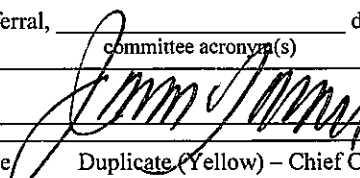

DEREK S.K. KAWAKAMI, Chair



State of Hawaii
House of Representatives
The Twenty-eighth Legislature

HSCR 1174-16

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: SB 3110, SD 1	Committee Referral: EDB, FIN	Date: 3/17/2016		
<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. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				