

---

# A BILL FOR AN ACT

---

RELATING TO INNOVATIVE ACTIVITY DEVELOPMENT.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. Section 201-3, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3       " [†] (a) [†] Without prejudice to its general functions and  
4 duties, the department of business, economic development, and  
5 tourism shall have specific functions in the following areas:

6       (1) Industrial development. The department shall:

7           (A) Determine, through technical and economic  
8 surveys, the profit potential of new or expanded  
9 industrial undertakings;

10          (B) Develop, through research projects and other  
11 means, new and improved industrial products and  
12 processes;

13          (C) Promote studies and surveys to determine consumer  
14 preference as to design and quality and to  
15 determine the best methods of packaging,  
16 transporting, and marketing the State's  
17 industrial products;



1 (D) Disseminate information to assist the [~~present~~]  
2 existing industries of the State, to attract new  
3 industries to the State, and to encourage capital  
4 investment in [~~present~~] existing and new  
5 industries in the State;

6 (E) Assist associations of producers and distributors  
7 of industrial products to introduce these  
8 products to consumers; and

9 (F) [~~Make~~] Award grants [~~or~~] and enter into contracts  
10 as may be necessary or advisable to [~~accomplish~~  
11 ~~the foregoing,~~] effectuate the purposes of this  
12 paragraph;

13 (2) Innovative activity development. The department  
14 shall:

15 (A) Determine, through technical and economic  
16 surveys, the profit potential of innovative  
17 economic activities that have the potential to  
18 expand and diversify Hawaii's economy, including,  
19 but not limited to, aerospace, diversified  
20 agriculture, aquaculture, renewable energy



1           development, creative media, health care, and  
2           science and technology-based sectors;

3           (B) Develop, through research projects and other  
4           means, innovative activities that may pose risks  
5           or may be less labor-intensive than traditional  
6           business activities, that, if successful, will  
7           generate revenue in Hawaii through the export of  
8           services or products or the substitution of  
9           imported services or products;

10          (C) Promote opportunities for investors in innovative  
11          activities and talent engaged in innovative  
12          activities to personally meet and interact at  
13          cultural, art, entertainment, culinary, athletic,  
14          or visitor-oriented events having a business  
15          focus;

16          (D) Disseminate information to foster a broader  
17          public recognition and understanding of the  
18          potential benefits of new or innovative growth-  
19          oriented industries in Hawaii to attract new  
20          industries to the State, and to encourage



1 investment in existing and new industries in the  
2 State;

3 (E) Assist associations of entrepreneurs and  
4 investors to encourage investment in existing and  
5 new industries in the State; and

6 (F) Award grants and enter into contracts as may be  
7 necessary or advisable to effectuate the purposes  
8 of this paragraph;

9 ~~[(+2)]~~ (3) Land development. The department shall:

10 (A) Encourage the most productive use of all land in  
11 the State in accordance with a general plan  
12 developed by the department;

13 (B) Encourage the improvement of land tenure  
14 practices on leased private lands;

15 (C) Promote an informational program directed to  
16 landowners, producers of agricultural and  
17 industrial commodities, and the general public  
18 regarding the most efficient and most productive  
19 use of the lands in the State; and

20 (D) ~~[Make]~~ Award grants ~~[or]~~ and enter into contracts  
21 as may be necessary or advisable to ~~[accomplish]~~



1 ~~the foregoing,~~ effectuate the purposes of this  
2 paragraph;

3 ~~[(3)]~~ (4) Credit development. The department shall:

4 (A) Conduct a continuing study of agricultural and  
5 industrial credit needs;

6 (B) Encourage the development of additional private  
7 and public credit sources for agricultural and  
8 industrial enterprises;

9 (C) Promote an informational program to acquaint  
10 financial institutions with agricultural and  
11 industrial credit needs and the potential for  
12 agricultural and industrial expansion, and inform  
13 producers of agricultural and industrial products  
14 as to the manner in which to qualify for loans;  
15 and

16 (D) ~~[Make]~~ Award grants ~~[or]~~ and enter into contracts  
17 as may be necessary or advisable to ~~[accomplish~~  
18 ~~the foregoing,~~ effectuate the purposes of this  
19 paragraph;

20 ~~[(4)]~~ (5) Promotion. The department shall:



1 (A) Disseminate information developed for or by the  
2 department pertaining to economic development to  
3 assist [~~present~~] existing industry in the State;

4 (B) Attract new industry and investments to the  
5 State; and

6 (C) Assist new and emerging industry with good growth  
7 potential or prospects in jobs, exports, and new  
8 products.

9 The industrial and economic promotional activities of  
10 the department may include the use of literature,  
11 advertising, demonstrations, displays, market testing,  
12 lectures, travel, motion picture and slide films, and  
13 other promotional and publicity devices as may be  
14 appropriate; and

15 [~~+5+~~] (6) Self-sufficiency standard. The department shall  
16 establish and update biennially a self-sufficiency  
17 standard that shall incorporate existing methods of  
18 calculation, and that shall reflect, at a minimum,  
19 costs relating to housing, food, child care,  
20 transportation, health care, clothing and household  
21 expenses, federal and state tax obligations, family



1 size, children's ages, geography, and the number of  
2 household wage earners. The department shall report  
3 to the legislature concerning the self-sufficiency  
4 standard no later than twenty days prior to the  
5 convening of the regular session of 2009, and every  
6 odd-numbered year thereafter. The recommendations  
7 shall address, among other things, the use of any  
8 federal funding that may be available for the purposes  
9 of establishing and updating the self-sufficiency  
10 standard."

11 SECTION 2. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 3. This Act shall take effect on July 1, 2112.



**Report Title:**

DBEDT; Duties; Functions; Innovative Activity Development

**Description:**

Expands the duties and functions of the Department of Business, Economic Development, and Tourism to include innovative activity development. (HB1959 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

