

STAND. COM. REP. NO. **2957**

Honolulu, Hawaii

MAR 16 2018

RE: H.B. No. 2084
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Economic Development, Tourism, and
Technology, to which was referred H.B. No. 2084, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TECHNOLOGY
DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Hawaii Technology Development Corporation to report to the Legislature, no later than twenty days prior to the convening of each session, on the impact of the program on providing outreach and mentorship assistance to innovative small businesses on neighbor islands;
- (2) Appropriate funds for the continuance of the Neighbor Island Innovation Initiative (NI3) Program; and
- (3) Authorize and appropriate funds for activities related to the development of a Hawaii cyber ecosystem to protect Hawaii from cyber threats and other related aspects of cybersecurity.

Your Committee received testimony in support of this measure from the Hawaii Technology Development Corporation; Department of



Research and Development, County of Hawaii; TeleVoice 2000; Carbon Buddy, LLC; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; DewPoint System, LLC; USD Mint, Inc.; Kona-Kohala Chamber of Commerce; and two individuals.

Your Committee finds the Hawaii Technology Development Corporation created the NI3 program in 2016. The NI3 program provides assistance to small businesses that are engaged in technology, manufacturing, or innovation based products or services on neighbor islands. Your Committee further finds that the NI3 program is beneficial for neighbor islands because it removes time, distance, and money as barriers for entrepreneurs, which are often the largest obstacles for businesses based in Hawaii. The NI3 program allows businesses from neighbor islands to utilize the resources and expertise of the Hawaii Technology Development Corporation at their convenience and without extra cost.

Your Committee received testimony stating that due to budget constraints, the Hawaii Technology Development Corporation only began the NI3 program with one mentor on Kauai and one mentor on the island of Hawaii. Your Committee believes that this opportunity should be available for all businesses throughout the State. Your Committee notes that currently, the Hawaii Technology Development Corporation does not have proper funding to maintain the NI3 program beyond this year and will have to end this beneficial program unless sufficient funding is provided. Your Committee believes that this program will help small businesses flourish in a highly competitive market, ultimately contributing to the economy of Hawaii.

Your Committee has amended this measure by:

- (1) Deleting part II which would have authorized and appropriated funds for activities related to the development of a Hawaii cyber ecosystem to protect Hawaii from cyber threats and other related aspects of cybersecurity; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2084, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2084, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development, Tourism, and
Technology,



GLENN WAKAI, Chair



