

Honolulu, Hawaii

FEB 14 2018

RE: S.B. No. 3000
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 S.B. No. 3000 entitled:

"A BILL FOR AN ACT RELATING TO INNOVATION BUSINESS,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the research and development program in the Hawaii Technology Development Corporation;
- (2) Establish the research and development special fund; and
- (3) Appropriate funds for the research and development program.

Your Committee received testimony in support of this measure from the Hawaii Technology Development Corporation; Navatek; Makai Ocean Engineering, Inc.; Chamber of Commerce Hawaii; Oahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i; and six individuals. Your Committee received comments on this measure from the Department of Budget and Finance.

Your Committee finds that research and development is vital to the future growth of Hawaii's economy. Supporting innovation in Hawaii will encourage innovative ideas from the local community. It is important for the State to create an environment



that encourages new ideas that aim to advance Hawaii in research and development, and doing so will create more jobs and encourage highly skilled workers to remain in Hawaii.

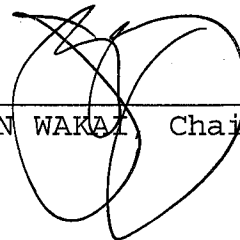
Your Committee has amended this measure, as suggested by the Hawaii Technology Development Corporation, by:

- (1) Clarifying that merely submitting proof of federal research and development tax credits received will not entitle a business to receive funding under the research and development program but will make the business eligible for funding;
- (2) Requiring the Hawaii Technology Development Corporation to analyze each application for the program to determine whether the item to be undertaken will be economically viable and beneficial to the State; and
- (3) 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 S.B. No. 3000, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3000, S.D. 1, and be referred to your Committee on Ways and Means.

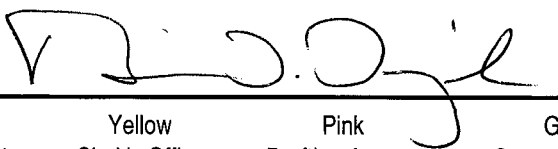
Respectfully submitted on
behalf of the members of the
Committee on Economic
Development, Tourism, and
Technology,

GLENN WAKAI, Chair



The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Economic Development, Tourism, and Technology
ETT

Bill / Resolution No.:* SB 3000	Committee Referral: ETT, WAM	Date: 2/9/18		
<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)	✓			
TANIGUCHI, Brian T. (VC)	✓			
BAKER, Rosalyn H.				✓
GALUTERIA, Brickwood				✓
THIELEN, Laura H.	✓			
TOTAL	3	0	0	2
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