



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of  
**LUIS P. SALAVERIA**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Thursday, February 22, 2018  
11:00 am  
State Capitol, Conference Room 308

in consideration of  
**HB 2709, HD1**  
**RELATING TO TECHNOLOGY.**

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance.

The Department of Business, Economic Development and Tourism (DBEDT) offers **comments** on HB2709, HD1, that creates a Hawaii Innovation and Technology Research Corporation to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism for administrative purposes.

DBEDT appreciates the intent of the bill to provide clarity in Hawaii's initiative to create a knowledge based-economy and more support for technology commercialization through coherent policies and priorities relating to innovation and technology. However, there currently exist organizations with similar missions including the Hawaii Technology Development Corporation, the Hawaii Strategic Development Corporation, the Office of Planning, and the Economic Development Alliance of Hawaii, which coordinates efforts such as the Comprehensive Economic Development Strategy (CEDS).

Thank you for the opportunity to provide these comments.



Written Statement of  
**Robbie Melton**  
Executive Director & CEO  
Hawaii Technology Development Corporation  
before the  
**House Committee on Finance**  
Thursday, February 22, 2018  
11:00 a.m.  
State Capitol, Conference Room 308

In consideration of  
**HB2709, HD1**  
**RELATING TO TECHNOLOGY**

Chair Luke, Vice Chair Cullen, and Members of the Committee on Finance.

The Hawaii Technology Development Corporation (HTDC) offers **comments** on HB2709, HD1 that creates a Hawaii Innovation and Technology Research Corporation to grow Hawaii's innovation and technology industry to be placed under the Department of Business, Economic Development, and Tourism (DBEDT) for administrative purposes.

HTDC comments that the Hawaii Innovation and Technology Research Corporation appears to duplicate the purpose and duties of HTDC. HTDC looks forward to working with stakeholders to meet the objectives of this measure.

Thank you for the opportunity to offer these comments.



**TESTIMONY OF  
THE DEPARTMENT OF THE ATTORNEY GENERAL  
TWENTY-NINTH LEGISLATURE, 2018**

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**ON THE FOLLOWING MEASURE:**

H.B. NO. 2709, H.D. 1, RELATING TO TECHNOLOGY.

**BEFORE THE:**

HOUSE COMMITTEE ON FINANCE

**DATE:** Thursday, February 22, 2018      **TIME:** 11:00 a.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Russell A. Suzuki, Acting Attorney General, or  
Margaret S. Ahn, Deputy Attorney General

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Chair Luke and Members of the Committee:

The Department of the Attorney General provides the following comments.

This bill establishes a new Hawaii Innovation and Technology Research Corporation (Corporation) headed by a board of directors.

The purpose of the Corporation is “the promotion, development, and expansion of Hawaii’s innovation and technology industry.” This purpose is very similar to that of the existing Hawaii Technology Development Corporation (HTDC), whose purpose is “to facilitate the growth and development of the commercial technology industry in Hawaii,” pursuant to section 206M-2, Hawaii Revised Statutes (HRS). It is also similar to the purpose of the existing Hawaii Strategic Development Corporation (HSDC), whose purpose is “to encourage economic development and diversification in Hawaii through innovative actions in cooperation with private enterprises,” pursuant to section 211F-2, HRS. To avoid unnecessary duplication of resources and programs, as well as potential conflict between the proposed Corporation and HTDC and HSDC, we recommend that the purpose and functions of the new Corporation be amended to be clearly distinguishable from HTDC and HSDC.

In addition, page 4, lines 6-12, of this bill provides that the members of the board of directors “shall be appointed by the governor, senate president, and speaker of the house of representatives for a term of four years; provided that membership on the board shall not exceed eight consecutive years; provided further that each member

shall hold office until the member's successor is appointed and qualified." (Emphasis added).

First, "appointed by the governor, senate president, and speaker of the house" is inexact, as the rest of the bill makes clear that the Governor shall appoint the members, albeit from lists of names submitted by the Senate President and Speaker of the House.

Second, providing for a term of four years, not to exceed eight consecutive years, is unnecessary, as section 26-34, HRS, already contains these provisions.

Third, the holdover wording of this bill is not in conformance with section 26-34, HRS, which provides:

(b) Any member of a board or commission whose term has expired and who is not disqualified for membership under subsection (a) may continue in office as a holdover member until a successor is nominated and appointed; . . . (Emphasis added).

Because section 26-34, HRS, contains the holdover provision in subsection (b), additional holdover wording is not necessary.

To avoid a conflict between statutes and unnecessary verbiage, we recommend that page 4, lines 6-12, of this bill be amended to read as follows:

(1) The members shall be appointed by the governor as provided in section 26-34.

Thank you for providing this opportunity to comment.



WRITTEN STATEMENT OF  
Pono Shim  
President/CEO

Before the  
House of Representatives  
Committee on Finance

Wednesday, February 21, 2018, 8:45 am  
State Capitol, Conference Room 308

In consideration of  
HB2709  
RELATING TO TECHNOLOGY

To: Representative Sylvia Luke, Chair, Representative Ty J.K Cullen, Vice Chair, and  
Members of the Committee  
From: Oahu Economic Development Board  
Re: Testimony in Support of HB2709

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony IN SUPPORT of HB2709.  
We support the creation of a new entity called the “Hawaii Innovation and Technology Authority” to help bring coherency to Hawaii’s endeavors to develop a more diverse economy through the development of a technology based industry and knowledge based jobs. The HITA would have primary responsibility for developing strategic policy around three major areas, including (1) Start-ups, (2) Sustainment of existing enterprises, and (3) Attraction of companies that could establish an office in Hawaii with high quality jobs. The Authority would also be appropriated resources that would have overarching responsibility for funding HTDC, HSDC, etc. initiatives to help ensure that there is coherency in how the State works as a team.

At its core, HITA attempts to accelerate progress and address needs that current approaches have inadequately addressed. I believe a fresh approach with an overarching authority for innovation and technology, could bring the much needed change and speed.

Therefore, we SUPPORT HB2709.

Sincerely,

Pono Shim  
President and CEO  
Oahu Economic Development Board



**HB-2709-HD-1**

Submitted on: 2/21/2018 10:18:57 AM

Testimony for FIN on 2/22/2018 11:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Present at Hearing</b>
Melodie Aduja	OCC Legislative Priorities Committee, Democratic Party of Hawai'i	Support	No

Comments:



Written Statement of  
**DR. PATRICK K. SULLIVAN**  
**PRESIDENT/CEO OCEANIT**

Before the  
**HOUSE OF REPRESENTATIVES**  
**COMMITTEE ON ECONOMIC DEVELOPMENT AND BUSINESS**

February 22, 2018  
11:00 a.m.  
State Capitol, Conference Room 308  
In Support of  
**HB2709 RELATING TO TECHNOLOGY**

To: Representative Sylvia Luke Chair, Representative Ty J.K. Cullen, Vice Chair and Members of the Committee

From: Dr. Patrick K. Sullivan, President/CEO

Re: Testimony in Support of HB2709

Honorable Chair, Vice-Chair and Committee Members:

Thank you for the opportunity to submit testimony **IN SUPPORT of HB2709.**

We supported the introduction of State House and Senate legislation (SB3084 and HB2709) to create a new entity called the “Hawaii Innovation and Technology Authority” to help bring coherency to Hawaii’s endeavors to develop a more diverse economy through the development of a technology based industry and knowledge based jobs. The HITA would have primary responsibility for developing strategic policy around three major areas, including (1) Start-ups, (2) Sustainment of existing enterprises, and (3) Attraction of companies that could establish an office in Hawaii with high quality jobs. The Authority would also be appropriated resources that would have overarching responsibility for funding HTDC, HSDC, etc. initiatives to help ensure that there is coherency in how the State works as a team.

At its core, HITA attempts to accelerate progress and address needs that current approaches have inadequately addressed. Moreover, from my personal perspective, after over 30+ years of supporting the current framework, I believe a fresh approach with an overarching authority for innovation and technology, could bring the much needed change and speed.

Therefore, we **SUPPORT HB2709.**