STAND. COM. REP. NO. 628

Honolulu, Hawaii

February 15 , 2019

RE: H.B. No. 340 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 340 entitled:

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

begs leave to report as follows:

The purpose of this measure is to appropriate funds to the Hawaii Technology Development Corporation (HTDC) for the Small Business Innovation Research Program.

HTDC, The Chamber of Commerce Hawaii, Makai Ocean Engineering, Inc., Oceanit, and two concerned individuals testified in support of this measure.

Your Committee notes the comments of The Chamber of Commerce Hawaii in its written testimony submitted at the public hearing on this measure. The Chamber points out that continued support for the Manufacturing Assistance Program is vital to HTDC's mission. This program has become an important, positive resource to aid companies with their investments in manufacturing equipment, training of their employees on newly purchased equipment, energy efficiency, and feasibility studies. Your Committee agrees with the testimony that continuation of the Manufacturing Assistance Program will help to fuel the growth of the manufacturing industry



in Hawaii and provide more products for both local consumption and export.

Accordingly, your Committee has amended this measure by:

- (1) Changing the appropriation for the Small Business Innovation Research Program to an unspecified amount;
- (2) Adding an appropriation in an unspecified amount to HTDC for the Manufacturing Assistance Program;
- (3) Adding new language to clarify eligibility criteria for the Alternative Energy Research and Development Program to disallow grants for research of hydrodynamics and demand response technologies;
- (4) Making an appropriation in an unspecified amount to the Alternative Energy Research and Development Revolving Fund and appropriating unspecified funds from the Revolving Fund for Program grants;
- (5) Changing its effective date to July 1, 2112; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Should the Committee on Finance deliberate on this measure further, your Committee on Economic Development & Business respectfully requests that it consider appropriating:

- (1) \$1,500,000 for the Small Business Innovation Research Program;
- (2) \$2,000,000 to continue operations, administration, and provision of grants by the Manufacturing Assistance Program; and
- (3) \$1,000,000 to be deposited into the Alternative Energy Research and Development Revolving Fund for the purpose of providing program grants.

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 H.B. No. 340, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 340, 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,

ANGUS L.K. McKELVEY, Chair

State of Hawaii



Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 340	Committee Referral: EDB, FIN		Date: 2-6-19	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: ☐ Pass, unamended (as is) ☑ Pass, with amendments (HD) ☐ Hold ☐ Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)				
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2. KITAGAWA, Lisa (VC)				
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3. ELI, Stacelynn K.M.				V
4 ICHIVAMA Lindo				
4. ICHIYAMA, Linda				
5. JOHANSON, Aaron Ling				. /
J. John March Physics				V
6. QUINLAN, Sean				/
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7. YAMASHITA, Kyle T.	✓			
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8. MATSUMOTO, Lauren				
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TOTAL (8)	5	Ø	Ø	3
The recommendation is: 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				