

JAN 24 2019

A BILL FOR AN ACT

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

1 SECTION 1. The legislature finds that innovation is
2 critical to the success of Hawaii's economy. Business
3 accelerators support the growth of early-stage technology
4 companies in the State. Over the past five years, several
5 accelerators have been established in Hawaii. A few were formed
6 as public-private partnerships with the support of the Hawaii
7 strategic development corporation's launch Akamai venture
8 accelerator program. Hawaii's accelerators have received
9 national recognition for being outstanding programs and some
10 have received federal funding from the Small Business
11 Administration, Economic Development Administration, and the
12 Department of Defense. Additional accelerators are emerging in
13 the State.

14 Business accelerators are helping to build the critical
15 mass that is required for innovative businesses to flourish in
16 Hawaii. They provide business guidance and seed stage funding
17 to startup companies that have a rapid development cycle, such



1 as internet-based companies. The accelerators also complement
2 the tech incubator programs that provide support for companies
3 that require a longer time period to reach viability, such as
4 research-based and biotech companies. Further, the accelerators
5 are increasing the entrepreneurial activity of the State through
6 their showcases and hosted events centered on technology and
7 innovation, and are also strengthening the entrepreneurial
8 network between Hawaii, Asia, Silicon Valley, Hollywood, and
9 Washington, D.C.

10 While business accelerators have been successful in
11 increasing the number of innovative companies in Hawaii, they
12 remain in their formative stages and have yet to achieve
13 profitability. This is in part because the equity stake that
14 the accelerators are holding in dozens of startup companies have
15 not yet matured to the point of self-sufficiency. The
16 accelerators have depended on financial assistance from the
17 State, county, and federal governments in addition to nonprofit
18 sources to help pay for their operations. The legislature
19 strongly believes that the continuation of accelerator programs
20 is important to support business innovation in this State.



S.B. NO. 1366


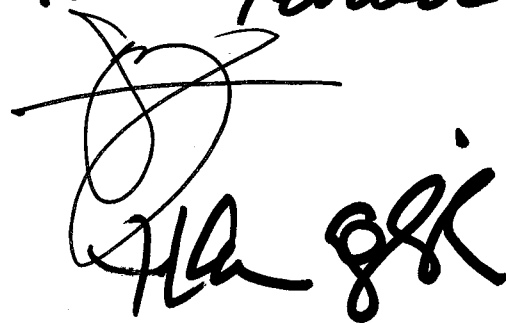
1 SECTION 2. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$ or so
3 much thereof as may be necessary for fiscal year 2019-2020 and
4 the same sum or so much thereof as may be necessary for fiscal
5 year 2020-2021 to support the continuation of business
6 accelerator programs.

7 The sums appropriated shall be expended by the Hawaii
8 technology development corporation for the purposes of this Act.

9 SECTION 3. This Act shall take effect on July 1, 2019.

10

INTRODUCED BY:


Kurt Ferrell


S.B. NO. 1366

Report Title:

Hawaii Technology Development Corporation; Business Accelerators; Appropriation

Description:

Provides an appropriation for the Hawaii Technology Development Corporation to support the continuation of business accelerator programs.

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