

Honolulu, Hawaii

FEB 14 2019

RE: S.B. No. 1444
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Technology and Energy, Economic Development, and Tourism, to which was referred S.B. No. 1444 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Hawaii Technology Development Corporation to adopt rules to require awardees of Hawaii Small Business Innovation Research (HSBIR) program grants who relocate their principal place of business outside the State within five years of receiving the award to reimburse funds awarded; and
- (2) Appropriate funds for the continuance of the HSBIR program operated by the Hawaii Technology Development Corporation.

Your Committees received testimony in support of this measure from the Hawaii Technology Development Corporation; Neurobehavioral Research, Inc.; Akabotics LLC; Hawai'i Farm Bureau; Makai Ocean Engineering, Inc.; Hawaii Biotech, Inc.; Experiad Solutions; Maui Chamber of Commerce; Marine Genetics; and one individual.



Your Committees find that the Hawaii Technology Development Corporation has a vision to create 80,000 new innovation jobs in Hawaii earning \$80,000 or more by 2030. Aiding in that goal is the HSBIR program, which provides matching grants to help companies further the development of new products to solve critical issues. Applicants must have received federal Small Business Innovation Research Program grants or contracts to qualify for the matching HSBIR program, which provides up to a fifty per cent match in funds. Initially, the HSBIR program only funded companies that received Phase I grants, but in 2016, the program was expanded to help companies who are moving their advanced technology products from research into the market. Your Committees further find that HSBIR's Phase II and Phase III awardees should be supported so that their technologies can contribute to Hawaii's economy, but the State should ensure that Hawaii benefits from its investment in these companies by requiring grant funds to be returned if the recipient moves its principal place of business outside the State within five years.

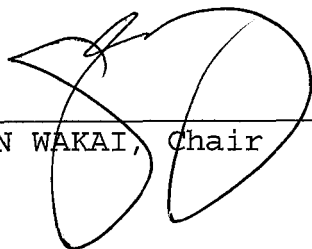
Your Committees have amended this measure by:

- (1) Inserting a blank appropriation amount; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Technology and Energy, Economic Development, and Tourism that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1444, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1444, S.D. 1, and be referred to your Committee on Ways and Means.



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



GLENN WAKAI, Chair

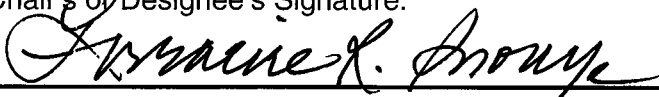


JARRETT KEOHOKALOLE, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Energy, Economic Development, and Tourism
EET

Bill / Resolution No.:* SB 1444	Committee Referral: TTE/EET, WAM	Date: 2/5/19		
<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)				✓
INOUE, Lorraine R.	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt				✓
TOTAL	3			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