

STAND. COM. REP. NO.

1652

Honolulu, Hawaii

, 2019

MAR 22

RE: S.B. No. 995

S.D. 2

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 S.B. No. 995, S.D. 2, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Require the Hawaii Technology Development Corporation (HTDC) to adopt rules to require businesses that receive a technology research and development grant award to return the award if the business relocates its principal place of business out of state within five years of receiving the grant; and
- (2) Appropriate funding through the Research and Development Special Fund for the Research and Development Program of HTDC.

HTDC, Makai Ocean Engineering, Inc., O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, The Chamber of Commerce Hawaii, and a concerned individual testified in support of this measure.

SB995 HD1 HSCR EDB HMS 2019-3412



Your Committee has amended this measure by adding new language that:

- (1) Appropriates funds to HTDC for the Small Business Innovation Research Program and Manufacturing Assistance Program;
- (2) Disallows HTDC alternative energy research grants to businesses that were awarded a competitive contract from the Department of Defense to research hydrodynamics or demand response;
- (3) Appropriates funds to HTDC through the Alternative Energy Research and Development Revolving Fund to provide alternative energy research grants;
- (4) Repeals Act 67, Session Laws of Hawaii 2018, which established the Alternative Energy Research and Development Program and corresponding revolving fund to provide matching grants to qualified businesses from HTDC;
- (5) Repeals Act 141, Session Laws of Hawaii 2018, which established the Research and Development Program and a corresponding special fund in HTDC to help Hawaii-based small businesses optimize research and development;
- (6) Transfers the rights, powers, functions, and duties of HTDC and the Hawaii Strategic Development Corporation to the University of Hawaii (UH) and appropriates funds to UH to implement the transfer; and
- (7) Makes nonsubstantive technical amendments.

Your Committee notes that there are many discussions occurring on the overall future of HTDC. Accordingly, your Committee finds that incorporating the contents of various House Bills relating to HTDC will help to continue these discussions with the Senate.

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 S.B. No. 995, S.D. 2, as amended herein, and recommends



that it pass Second Reading in the form attached hereto as S.B. No. 995, S.D. 2, 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,



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ANGUS L.K. MCKELVEY, Chair

