

---

# A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1       SECTION 1. Chapter 206M, Hawaii Revised Statutes, is  
2       amended by adding a new part to be appropriately designated and  
3       to read as follows:

4               **"PART       .    STATE VENTURE CAPITAL PROGRAM**

5               **§206M-       Definitions.** As used in this part, unless the  
6       context clearly requires otherwise:

7               "Early stage small business" means a business that is  
8       established but with insignificant revenues and no profits that  
9       is headquartered in the State.

10              **§206M-       State venture capital program; established.** (a)

11       There is established in the Hawaii technology development  
12       corporation a state venture capital program that shall provide  
13       venture capital investments in early stage small businesses in  
14       the State.



1 (b) The Hawaii technology development corporation shall:

2 (1) Determine the qualifications and types of businesses  
3 that shall be eligible to receive venture capital  
4 investments;

5 (2) Develop the application process to participate in the  
6 state venture capital program;

7 (3) Establish conditions for venture capital investments  
8 made pursuant to this section, including but not  
9 limited to:

10 (A) Developing goals for direct financial returns and  
11 indirect economic development returns; and

12 (B) Return on investment expectations; and

13 (4) Adopt rules necessary for the purposes of this part.

14 (c) The state venture capital program shall provide no  
15 more than \$ to any early stage small business in one  
16 calendar year.

17 (d) Any direct financial returns to the State as a result  
18 of the state venture capital program shall be deposited to the  
19 credit of the general fund.



1           **§206M-       State venture capital program special fund. (a)**

2   There is established the state venture capital program special  
3   fund, into which shall be deposited:

4           (1)   Appropriations made by the legislature;

5           (2)   All interest earned on or accrued to moneys deposited  
6                in the special fund; and

7           (3)   Any other moneys made available to the special fund  
8                from other sources.

9           (b)   Moneys in the fund shall be expended by the  
10   development corporation:

11           (1)   To provide venture capital investments in early state  
12                small businesses in the State; and

13           (2)   For any other purpose deemed necessary to carry out  
14                the purposes of this part."

15   SECTION 2.   This Act shall take effect on July 1, 2050.



**Report Title:**

State Venture Capital Program; Economic Development; Early Stage  
Small Businesses

**Description:**

Establishes the state venture capital program that provides  
venture capital investments in early stage small businesses in  
the State. Effective 7/1/2050. (HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is  
not legislation or evidence of legislative intent.*

