

STAND. COM. REP. NO.

2024

Honolulu, Hawaii

FEB - 1 2022

RE: S.B. No. 2808

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
to which was referred S.B. No. 2808 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to appropriate
\$1,500,000 to the Hawaii Technology Development Corporation for
the State Small Business Credit Initiative Program.

Your Committee received testimony in support of this measure
from the Hawai'i Technology Development Corporation, Hawaii Green
Infrastructure Authority, Chamber of Commerce Hawaii, Hawaii Food
Industry Association, and Maui Chamber of Commerce. Your
Committee received comments on this measure from the Department of
Budget and Finance.

Your Committee finds that the State Small Business Credit
Initiative Program is a program that will provide federal funds in
three tranches over the next seven years for states to expand and
develop certain programs to provide access to capital to small
businesses. According to testimony received by your Committee,
Hawai'i Technology Development Corporation (HTDC), in partnership
with the Hawaii Green Infrastructure Authority (HGIA), will be
launching:



- (1) A collateral support program to provide cash collaterals to lending institutions to cover the collateral of:
 - (A) Mid-market sized companies;
 - (B) Companies of hard-to-finance industries; and
 - (C) Companies of socially and economically disadvantaged individuals; and

- (2) A loan participation program to:
 - (A) Directly lend to projects with community impact; and
 - (B) Support community development financial institutions to provide loans to very small businesses and businesses in underserved markets.

Your Committee notes that neither HTDC nor HGIA currently have the necessary staff positions, such as compliance consultants or auditors, to implement these programs.

According to testimony from HTDC, if state funds are not available to cover necessary expenses that are ineligible under federal funds, the collateral support program and the loan participation program may be scaled back and delayed. Your Committee further notes that the reduction and delay of these programs may affect the State's ability to receive the second round of federal funding aimed at socially and economically disadvantaged businesses, as funding from the second tranche will not be available to the State until eighty percent of the first tranche is utilized.

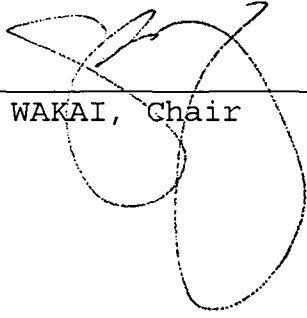
Your Committee believes that this measure is essential for small businesses to not only recover from the economic effects of the coronavirus disease 2019 pandemic, but to grow and expand within the State.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2808 and recommends that it pass



Second Reading and be referred to your Committee on Ways and Means.

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



GLENN WAKAI, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

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

Bill / Resolution No.:* SB 2808	Committee Referral: EET, WAM	Date: 1/28/22
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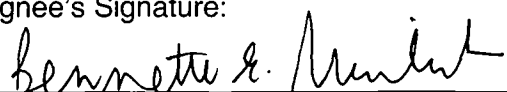
The Committee is reconsidering its previous decision on this measure.
If so, then the previous decision was to: _____

The Recommendation is:

Pass, unamended 2312
 Pass, with amendments 2311
 Hold 2310
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	✓			
MISALUCHA, Bennette E. (VC)	✓			
LEE, Chris	✓			
RIVIERE, Gil	✓			
FEVELLA, Kurt	✓			
TOTAL	5	0	0	0

Recommendation:
 Adopted
 Not Adopted

Chair's or Designee's Signature:


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*Only one measure per Record of Votes