

STAND. COM. REP. NO.

468

Honolulu, Hawaii

, 2023

FEB 15

RE: H.B. No. 999

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 999 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) Establish state goals for economic growth fueled by
innovation and technology;
- (2) Appropriate funds to the Hawaii Technology Development
Corporation to implement specific projects that address
the established state goals; and
- (3) Require the Hawaii Technology Development Corporation to
submit annual reports over three years on the progress
and outcomes of the projects.

Your Committee received testimony in support of this measure
from the Department of Business, Economic Development, and
Tourism; Hawaii Technology Development Corporation; Hawaii Farm
Bureau; and one individual.



Your Committee finds that the State must accelerate its economic diversification efforts through substantial, strategic, coordinated investments as part of its ongoing recovery from the COVID-19 pandemic. This measure establishes a policy framework for Hawaii Technology Development Corporation projects that aligns individual projects with larger state objectives that will ensure economic success. This measure also includes reporting requirements and objectives that will ensure transparency and accountability in the implementation of the projects.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Changing its effective date to June 30, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of:

- (1) \$5,000,000 to be deposited into and appropriated out of the Strategic Development Programs Revolving Fund to stimulate private capital investments into small businesses in Hawaii; and
- (2) \$10,000,000 for economic diversification, to be used as follows:
 - (A) \$2,000,000 to accelerate economic diversification by supporting, enhancing, and encouraging new accelerator programs;
 - (B) \$2,000,000 to support economic development opportunities with the trade sector, especially products manufactured in Hawaii;
 - (C) \$2,000,000 to support economic development opportunities with the defense sector, including aerospace and supporting companies conducting small




business innovation research through matching grants; and

- (D) \$4,000,000 to reduce and mitigate climate change through renewable energy technology demonstration projects such as hydrogen, geothermal, or clean ground, air, and sea transportation.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development,



DANIEL HOLT, Chair



