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# A BILL FOR AN ACT

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

1           SECTION 1. Section 206M-15, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

3           "(b) The development corporation may provide grants to any  
4 business in Hawaii that:

5           (1) Receives a federal small business innovation research  
6 phase I or II award or contract from any participating  
7 federal agency, up to fifty per cent of the amount of  
8 the federal award or contract;

9           (2) Receives a federal small business technology transfer  
10 program award or contract from any participating  
11 federal agency, up to fifty per cent of the amount of  
12 the federal award or contract;

13           (3) Receives a federal small business innovation research  
14 phase III or small business technology transfer  
15 program phase III award or contract, up to fifty per  
16 cent of the amount of the award or contract funded by



1 private sector or government sources outside of the  
2 program; or

3 (4) Applies for a small business innovation research  
4 federal grant or a small business technology transfer  
5 program federal grant, in an amount not to exceed  
6 [\$3,000,] \$ \_\_\_\_\_,  
7 subject to the availability of funds."

8 SECTION 2. Section 206M-15.1, Hawaii Revised Statutes, is  
9 amended by amending subsection (a) to read as follows:

10 "(a) There is established the manufacturing development  
11 program, through which the development corporation may provide  
12 grants to any business in Hawaii that is a manufacturer in the  
13 State and requires assistance for any of the following items:

- 14 (1) Purchasing of manufacturing equipment;
- 15 (2) Training of employees on the use of new or existing  
16 manufacturing equipment;
- 17 (3) Improving existing energy efficiency manufacturing  
18 equipment or the purchase of improved energy  
19 efficiency equipment in the manufacturing process;
- 20 [~~or~~]



1        (4) Purchasing of renewable energy technology systems, as  
2        defined in section 235-12.5, including photovoltaic,  
3        for the purpose of reducing manufacturing energy  
4        costs; provided that any renewable energy technology  
5        system purchased by a business that receives a grant  
6        pursuant to this paragraph shall not be eligible for  
7        the tax credit under section 235-12.5 to install or  
8        place that system in service; or

9        [~~4~~] (5) Studying or planning the implementation of a new  
10        manufacturing facility;

11        provided that no grant shall exceed twenty per cent of the cost  
12        of any of the above items, and no company shall receive a grant  
13        exceeding \$100,000 in any given year."

14        SECTION 3. Section 235-12.5, Hawaii Revised Statutes, is  
15        amended by amending subsection (i) to read as follows:

16        "(i) No taxpayer shall be allowed a credit under this  
17        section for [the];

18        (1) The portion of the renewable energy technology system  
19        required by section 196-6.5 that is installed and  
20        placed in service on any newly constructed single-



1 family residential property authorized by a building  
2 permit issued on or after January 1, 2010[-]; or

3 (2) The installation or placing in service of any portion  
4 of a renewable energy technology system purchased in  
5 whole or in part with a grant received under the  
6 manufacturing development program pursuant to section  
7 206M-15.1."

8 SECTION 4. There is appropriated out of the general  
9 revenues of the State of Hawaii the sum of \$ or so  
10 much thereof as may be necessary for fiscal year 2024-2025 for  
11 the Hawaii small business innovation research program.

12 The sum appropriated shall be expended by the Hawaii  
13 technology development corporation for the purposes of this Act.

14 SECTION 5. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so  
16 much thereof as may be necessary for fiscal year 2024-2025 for  
17 the manufacturing assistance grant program.

18 The sum appropriated shall be expended by the Hawaii  
19 technology development corporation for the purposes of this Act.

20 SECTION 6. There is appropriated out of the general  
21 revenues of the State of Hawaii the sum of \$ or so



1 much thereof as may be necessary for fiscal year 2024-2025 to  
2 support the accelerator grant program.

3 The sum appropriated shall be expended by the Hawaii  
4 technology development corporation for the purposes of this Act.

5 SECTION 7. In accordance with section 9 of article VII of  
6 the Hawaii State Constitution and sections 37-91 and 37-93,  
7 Hawaii Revised Statutes, the legislature has determined that the  
8 appropriations contained in H.B. No. , will cause the state  
9 general fund expenditure ceiling for fiscal year 2024-2025 to be  
10 exceeded by \$ or per cent. In addition, the  
11 appropriations contained in this Act will cause the general fund  
12 expenditure ceiling for fiscal year 2024-2025 to be further  
13 exceeded by \$ or per cent. The combined total  
14 amount of general fund appropriations contained in only these  
15 two Acts will cause the state general fund expenditure ceiling  
16 for fiscal year 2024-2025 to be exceeded by  
17 \$ or per cent. The reasons for exceeding the  
18 general fund expenditure ceiling are that:

- 19 (1) The appropriations made in this Act are necessary to  
20 serve the public interest; and



1           (2) The appropriations made in this Act meet the needs  
2                   addressed by this Act.

3           SECTION 8. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5           SECTION 9. This Act shall take on January 1, 2060.



**Report Title:**

Hawaii Technology Development Corporation; Small Business Innovation Research Grant Program; Small Business Technology Transfer Grant Program; Manufacturing Development Grant Program; Manufacturing Assistance Grant Program; Accelerator Grant Program; Expenditure Ceiling; Appropriation

**Description:**

Changes the cap for awards to assist businesses applying for the Small Business Innovation Research Grant Program and the Small Business Technology Transfer Grant Program of the Hawaii Technology Development Corporation. Adds purchasing of renewable energy technology systems as an eligible expense, and clarifies that training on new and existing manufacturing equipment is an eligible expense, for the Manufacturing Development Grant Program. Declares that the general fund expenditure ceiling is exceeded. Appropriates funds. Takes effect 1/1/2060. (SD1)

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