
A BILL FOR AN ACT

RELATING TO HIGH TECHNOLOGY.

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

1 SECTION 1. In 1989, the legislature created the Hawaii
2 small business innovation research grant program. Prior to
3 1989, there were two Hawaii small business innovation research
4 grant program-awarded companies, but since 1989, sixty-three
5 Hawaii companies have won two hundred sixty-two small business
6 innovation research grant program awards. These grant awards
7 brought approximately \$60,000,000 in federal small business
8 innovation research grant program phase I and phase II funds to
9 Hawaii. In addition to these grants, more than \$58,000,000 in
10 phase III small business innovation research grant program
11 commercialization contracts has been awarded to Hawaii
12 companies.

13 The legislature finds that for every \$1 invested by the
14 State in the program, Hawaii companies attracted nearly \$15 in
15 federal small business innovation research grant funds, or
16 nearly \$30 for every \$1 invested by the State when phase III
17 funds are included.



1 The legislature further finds that, currently, the federal
2 small business innovation research grant program is a
3 \$2,000,000,000 program that encourages small businesses to
4 develop commercially viable technologies and innovations.
5 Organized as a competition, the federal small business
6 innovation research grant program allows small companies the
7 opportunity to test high-risk theories and develop innovative
8 technologies and solutions.

9 To compete for small business innovation research grant
10 program dollars, ten participating federal agencies issue
11 scheduled program solicitations seeking research and development
12 in their respective areas of interests, disciplines, and
13 missions. Federal departments and agencies, such as the
14 Departments of Agriculture, Commerce, Defense, Education,
15 Energy, Health and Human Services, Transportation, and Homeland
16 Security, the Environmental Protection Agency, the National
17 Aeronautics and Space Administration, and the National Science
18 Foundation, are required to reserve a portion of their annual
19 research and development funds for small business innovation
20 research grant programs.

21 In 2006, the legislature expanded the Hawaii small business
22 innovation research grant program by adding the small business



1 technology transfer program to encourage small companies and
2 researchers at nonprofit research institutions, including
3 research universities and colleges, to collaborate and work
4 together to move laboratory-developed technologies to the
5 marketplace and to foster technology-based economic development.
6 According to federal program requirements, forty per cent of
7 each small business technology transfer program project must be
8 carried out by the small business, and a minimum of thirty per
9 cent of the effort must be performed by the research
10 institution. The following five federal departments and
11 agencies are required to reserve a portion of their research and
12 development funds for the small business technology transfer
13 program: the Departments of Defense, Energy, and Health and
14 Human Services, the National Aeronautics and Space
15 Administration, and the National Science Foundation.

16 Furthermore, in 2006, the legislature increased the funding
17 for the under-funded small business innovation research grant
18 program and provided funds for the new small business technology
19 transfer program.

20 The purpose of this Act is to support the operations of the
21 high technology development corporation and the high technology
22 innovation corporation by:



- 1 (1) Continuing current funding levels for the Hawaii small
2 business innovation research grant program and the
3 Hawaii small business technology transfer program;
- 4 (2) Clarifying that the high technology innovation
5 corporation is authorized to operate bank accounts
6 that are necessary for the conduct of its business at
7 both in-state and out-of-state account locations,
8 without approval from the director of budget and
9 finance or the comptroller;
- 10 (3) Specifying that the high technology special fund shall
11 not be used to fund the high technology development
12 corporation's general administrative and fiscal
13 positions, which were originally and previously funded
14 through the general revenues of the State and not from
15 the high technology special fund, which the
16 legislature intended to be used for the operations of
17 the innovation centers and technology incubation
18 programs;
- 19 (4) Deleting the \$3,000,000 ceiling on moneys in the high
20 technology special fund; and



1 (5) Appropriating general funds to pay for the general
2 administrative and fiscal positions of the high
3 technology development corporation.

4 SECTION 2. Section 206M-15.5, Hawaii Revised Statutes, is
5 amended to read as follows:

6 **"§206M-15.5 High technology special fund.** There is
7 established in the state treasury a fund to be known as the high
8 technology special fund, into which shall be deposited, except
9 as otherwise provided by section 206M-17, all moneys, fees, and
10 equity from tenants, qualified persons, or other users of the
11 development corporation's industrial parks, projects, other
12 leased facilities, and other services and publications[+
13 ~~provided that the total amount of moneys in the fund shall not~~
14 ~~exceed \$3,000,000 at the end of any fiscal year]~~. All moneys in
15 the fund are appropriated for the purposes of and shall be
16 expended by the development corporation for the operation,
17 maintenance, and management of its industrial parks, projects,
18 facilities, services, and publications, and to pay the expenses
19 in administering the special purpose revenue bonds of the
20 development corporation or in carrying out its project
21 agreements[-]; provided that all general administrative and
22 fiscal positions of the development corporation, whether



1 permanent or temporary, shall not be funded from the high
2 technology special fund."

3 SECTION 3. Section 206M-53, Hawaii Revised Statutes, is
4 amended to read as follows:

5 "**§206M-53 Powers of the board.** The high technology
6 innovation corporation, under the direction of its board of
7 directors, shall have the following general powers:

- 8 (1) To adopt, amend, and repeal bylaws governing the
9 conduct of its business and the exercise of the powers
10 and performance of duties granted to or imposed upon
11 it by law;
- 12 (2) To sell, lease, rent, hold, maintain, use, and operate
13 any property, real, personal, or mixed, tangible or
14 intangible, in accordance with the conditions under
15 which it was received;
- 16 (3) To enter into and perform contracts, leases,
17 cooperative agreements, or other transactions with the
18 high technology development corporation or any other
19 agency or political subdivision of the State, any
20 private person, firm, partnership, association,
21 company, or corporation, only as it may be necessary
22 in the conduct of its business and on terms as it may



1 deem appropriate; provided that the high technology
2 innovation corporation shall not obligate any funds of
3 the State except funds that have been appropriated to
4 it by the legislature or transferred or contracted to
5 it by the high technology development corporation or
6 other agency or department of the state government.
7 Notwithstanding the foregoing, the high technology
8 innovation corporation may enter into and perform
9 contracts, leases, cooperative agreements, or other
10 transactions with any agency or instrumentality of the
11 United States, a foreign nation, a state, a territory
12 or a possession, or with any political subdivision
13 thereof, whenever the donating or granting agency or
14 instrumentality determines that the high technology
15 development corporation or any other agency of the
16 State cannot as effectively and efficiently accomplish
17 the purposes for which the contracts, leases,
18 cooperative agreements, or other transactions are
19 being entered into; provided that the high technology
20 innovation corporation shall not obligate any funds of
21 the State except funds that have been appropriated or
22 transferred to it or contracted for it;



1 (4) To receive by gifts, grants, devises, bequests, or
2 otherwise, from private sources only, any property,
3 real, personal, or mixed, intangible or tangible,
4 absolutely or in trust, to be used and disposed of,
5 either the principal or the income therefrom, in
6 accordance with the conditions under which it was
7 received; provided that no gift to the high technology
8 innovation corporation shall be accepted unless
9 approved or confirmed by its board of directors.
10 Notwithstanding the foregoing, the high technology
11 innovation corporation may receive gifts, grants, or
12 awards from any agency or instrumentality of the
13 United States, a foreign nation, a state, a territory
14 or a possession, or from any political subdivision
15 thereof, whenever the donating or granting agency or
16 instrumentality determines that the high technology
17 development corporation or any other agency of the
18 State cannot as effectively and efficiently accomplish
19 the purposes for which the gifts, grants, or awards
20 are being made; provided that no gift to the high
21 technology innovation corporation shall be accepted



- 1 unless approved or confirmed by its board of
2 directors;
- 3 (5) To have a corporate seal;
- 4 (6) To sue and be sued in its own name;
- 5 (7) To serve as trustee or beneficiary under terms of any
6 gift, indenture, or will;
- 7 (8) To apply for, take out, receive by purchase or gift,
8 hold, administer, and dispose of copyrights, patent
9 rights, licenses, assignments of inventions,
10 discoveries, processes, and other property, rights or
11 interests therein, and the income thereof, absolutely
12 or subject to conditions or trusts as may be attached
13 thereto or be imposed thereon, and to obligate itself
14 to perform and execute any and all conditions or
15 trusts;
- 16 (9) To conduct programs, projects, research, studies,
17 experiments, investigations, and tests in all fields
18 of knowledge; to promote and develop the scientific
19 and commercial value of inventions, discoveries, and
20 processes; and to make, publish, and distribute the
21 results thereof;



1 (10) To coordinate and correlate activities and projects of
2 the high technology innovation corporation with the
3 work of state agencies for the purpose of relating
4 research work to the economic development of the State
5 whenever practical or desirable;

6 (11) To stimulate and promote cooperative research projects
7 and activities;

8 (12) To establish and maintain, or to assist in
9 establishing and maintaining staff positions for the
10 purpose of aiding in technology-based economic
11 development, and to enter into agreements or contracts
12 with other corporations, organizations, institutions,
13 or persons for this purpose and to pay the necessary
14 and appropriate expenses therefor;

15 (13) To prepare, print, or publish any manuscript, research
16 article, report, study, discussion, reference,
17 collection, or any pictorial or schematic
18 representation or group or collection thereof, whether
19 the same belongs to or is the work of any state agency
20 or its employees, or the high technology innovation
21 corporation or its employees or a contractor of the
22 high technology innovation corporation. The printing



1 or publication may be accomplished through whatever
2 person, company, or agency is deemed most appropriate
3 by the board of directors;

4 (14) To establish operational bank accounts as may be
5 necessary in the conduct of its business [~~at~~] and its
6 out-of-state offices, including accounts in in-state
7 and out-of-state locations and accounts of foreign
8 denomination in out-of-state locations, without the
9 approval of the director of budget and finance or the
10 comptroller of accounting and general services; and
11 (15) To do any or all other acts reasonably necessary to
12 carry out the objects and purposes of the high
13 technology innovation corporation."

14 SECTION 4. There is appropriated out of the general
15 revenues of the State of Hawaii the sum of \$235,000 or so much
16 thereof as may be necessary for fiscal year 2007-2008 and the
17 same sum or so much thereof as may be necessary for fiscal year
18 2008-2009 to fund general administrative and fiscal positions of
19 the high technology development corporation.

20 The sums appropriated shall be expended by the high
21 technology development corporation for the purposes of this Act.



1 SECTION 5. There is appropriated out of the general
2 revenues of the State of Hawaii the sum of \$240,000 or so much
3 thereof as may be necessary for fiscal year 2007-2008 and the
4 same sum or so much thereof as may be necessary for fiscal year
5 2008-2009 to fund the Hawaii small business innovation research
6 grant program and the Hawaii small business technology transfer
7 grant program.

8 The sums appropriated shall be expended by the high
9 technology development corporation for the purposes of this Act.

10 SECTION 6. Statutory material to be repealed is bracketed
11 and stricken. New statutory material is underscored.

12 SECTION 7. This Act shall take effect on July 1, 2007.

13

INTRODUCED BY: 

JAN 24 2007



Report Title:

High Technology Development Corporation (HTDC)

Description:

Appropriates funds for general administrative and fiscal positions of the HTDC. Appropriates funds for the Hawaii Small Business Innovation Research and Grant Program and the Hawaii Small Business Technology Transfer Program. Removes the ceiling on the High Technology Special Fund. Provides that all general administrative and fiscal positions of the HTDC shall not be funded from the High Technology Special Fund. Clarifies that the High Technology Innovation Corporation may establish operational bank accounts in in-state and out-of-state locations without approval from B&F or the comptroller.

