

MAR 14 2007

SENATE CONCURRENT RESOLUTION

REQUESTING THE DEPARTMENT OF HEALTH AND THE DEPARTMENT OF
TAXATION TO SUBMIT PROPOSED LEGISLATION TO ASSIST THE
DEVELOPMENT AND TESTING OF A RAPID ELECTROCHEMICAL
DETECTION PRODUCT WITH TAX INCENTIVES TO PRIVATE COMPANIES
FOR RELATED WORK.

1 WHEREAS, Eurus Genomics, Inc., is a corporation located in
2 Honolulu, Hawaii, with a two-fold mission:

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- 4 (1) To create new medical discoveries through the
5 integration of pharmacogenomics (the combination of
6 pharmacology and genomics to study and understand how
7 a person's genetic makeup affects the body's response
8 to a drug) and clinical trials and research; and
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- 10 (2) To assist emerging biotechnology efforts and aid in
11 new drug discoveries to be brought to market in the
12 most expeditious manner; and
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14 WHEREAS, Eurus was a co-founder of Antara BioSciences Inc.,
15 which was established to address the overwhelming need for
16 efficient, highly sensitive and cost-effective *in vitro*
17 diagnostics; and
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19 WHEREAS, the role of *in vitro* diagnostics in modern
20 medicine (the early detection and accurate diagnosis of disease
21 or other medical conditions) continues to increase, however the
22 availability of the necessary technologies has been elusive; and
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24 WHEREAS, Antara BioSciences Inc., has expressed a strong
25 interest in furthering the health care needs of the people of
26 Hawaii as well as assist in the State's efforts to promote
27 economic development in the biotechnology sector; and
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29 WHEREAS, Antara BioSciences Inc., has developed a new
30 diagnostic platform that is readily adaptable to the detection



1 of many types of diseases including cancer and infectious
2 diseases; and

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4 WHEREAS, Antara BioSciences Inc., has invented a novel way
5 to rapidly detect DNA using electrochemical technology, a
6 methodology that is highly sensitive and does not require the
7 need to amplify or label the DNA sample; and

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9 WHEREAS, Antara's invention involves placing a DNA sample
10 on a DNA chip and analyzing it to determine whether or not it
11 binds with the DNA of a particular disease being tested for,
12 such as hepatitis; and

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14 WHEREAS, Antara's invention is the subject of a number of
15 patent applications; and

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17 WHEREAS, Antara BioSciences Inc., has strong ties to the
18 Hawaii community and seeks to provide short- and long-term
19 medical benefits to those Hawaiian residents that need it the
20 most, the low income and rural residents of the State of Hawaii;
21 and

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23 WHEREAS, the nature and magnitude of the problem makes it a
24 challenging task; and

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26 WHEREAS, hepatitis is a serious healthcare problem within
27 Hawaii, which has the highest rate of liver cancer in the United
28 States due to the high rate of chronic viral hepatitis; and

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30 WHEREAS, there are over 15,000 people that have tested
31 positive for hepatitis C in Hawaii; and

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33 WHEREAS, hepatitis C is also the leading cause of liver
34 transplant in the United States, and many people who are
35 infected with this silent epidemic wait until they feel ill
36 before being tested, when it can be more difficult, extremely
37 expensive, or may even be too late to be treated; and

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39 WHEREAS, early detection of hepatitis provides the ability
40 for infected individuals to begin treatment, with the hope that
41 they can do so before serious additional complications occur, as
42 well as aiding in the prevention of further spread of the
43 disease; and

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1 WHEREAS, low income individuals have an increased risk of
2 contracting hepatitis; and
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4 WHEREAS, the Department of Health currently has a program
5 to screen for hepatitis C in adults who do not have insurance or
6 are unable to receive services through their doctor; and
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8 WHEREAS, the development and testing of the Antara's
9 hepatitis and other diagnostic products would require the
10 approval of the Food and Drug Administration, which would
11 necessitate the use of clinical trials; and
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13 WHEREAS, Antara BioSciences Inc., has expressed its
14 willingness to provide its hepatitis diagnostic test on a
15 voluntary basis to Hawaiian residents at no charge to them, with
16 the data from the proposed testing in turn to be used to support
17 a submission to the Food and Drug Administration for approval of
18 the hepatitis diagnostic test; and
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20 WHEREAS, Antara BioSciences Inc., has proposed that the
21 State of Hawaii establish incentive tax credits of up to
22 \$15,000,000 to fund part of the development of a rapid and
23 sensitive test for at least the three most common types of
24 hepatitis (A, B, and C) and preferably also hepatitis D and E,
25 with any development costs exceeding \$15,000,000 to be borne by
26 Antara; and
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28 WHEREAS, in return for such a tax credit, Antara
29 BioSciences Inc., has expressed its willingness to share with
30 the State of Hawaii ten per cent of the revenue received from
31 the sale of a Food and Drug Administration approved and
32 commercially marketed product that was developed and tested in
33 the State, with such funds being placed in a trust or a fund to
34 finance health care needs of low income and rural residents of
35 Hawaii; now, therefore,
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37 BE IT RESOLVED by the Senate of the Twenty-fourth
38 Legislature of the State of Hawaii, Regular Session of 2007, the
39 House of Representatives concurring, that the Department of
40 Health and the Department of Taxation are requested to draft
41 legislation to address the goal of assisting in the development
42 and testing of a rapid electrochemical detection product using a
43 methodology that is highly sensitive and does not require the
44 need to amplify or label the DNA sample, and which could be used



1 to rapidly and accurately test for hepatitis and/or other
2 diseases, with appropriate clinical trials of such product to
3 take place in the State of Hawaii; and
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5 BE IT FURTHER RESOLVED that such proposed legislation
6 address and provide for appropriate incentives or other
7 consideration to the developer of such product in return for
8 payments to a trust or fund to finance the health care needs of
9 low income and rural residents of Hawaii; and
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11 BE IT FURTHER RESOLVED that the departments submit proposed
12 legislation to the Legislature no later than twenty days prior
13 to the convening of the Regular Session of 2008; and
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15 BE IT FURTHER RESOLVED that certified copies of this
16 Concurrent Resolution be transmitted to the Director of Health
17 and Director of Taxation.
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OFFERED BY:



