

MAR 14 2007

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## SENATE 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  
31 of many types of diseases including cancer and infectious  
32 diseases; and  
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1 WHEREAS, Antara BioSciences Inc., has invented a novel way  
2 to rapidly detect DNA using electrochemical technology, a  
3 methodology that is highly sensitive and does not require the  
4 need to amplify or label the DNA sample; and

5  
6 WHEREAS, Antara's invention involves placing a DNA sample  
7 on a DNA chip and analyzing it to determine whether or not it  
8 binds with the DNA of a particular disease being tested for,  
9 such as hepatitis; and

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

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

19  
20 WHEREAS, the nature and magnitude of the problem makes it a  
21 challenging task; and

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

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

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

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

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42 WHEREAS, low income individuals have an increased risk of  
43 contracting hepatitis; and

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1 WHEREAS, the Department of Health currently has a program  
2 to screen for hepatitis C in adults who do not have insurance or  
3 are unable to receive services through their doctor; and  
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5 WHEREAS, the development and testing of the Antara's  
6 hepatitis and other diagnostic products would require the  
7 approval of the Food and Drug Administration, which would  
8 necessitate the use of clinical trials; and  
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10 WHEREAS, Antara BioSciences Inc., has expressed its  
11 willingness to provide its hepatitis diagnostic test on a  
12 voluntary basis to Hawaiian residents at no charge to them, with  
13 the data from the proposed testing in turn to be used to support  
14 a submission to the Food and Drug Administration for approval of  
15 the hepatitis diagnostic test; and  
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17 WHEREAS, Antara BioSciences Inc., has proposed that the  
18 State of Hawaii establish incentive tax credits of up to  
19 \$15,000,000 to fund part of the development of a rapid and  
20 sensitive test for at least the three most common types of  
21 hepatitis (A, B, and C) and preferably also hepatitis D and E,  
22 with any development costs exceeding \$15,000,000 to be borne by  
23 Antara; and  
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25 WHEREAS, in return for such a tax credit, Antara  
26 BioSciences Inc., has expressed its willingness to share with  
27 the State of Hawaii ten per cent of the revenue received from  
28 the sale of a Food and Drug Administration approved and  
29 commercially marketed product that was developed and tested in  
30 the State, with such funds being placed in a trust or a fund to  
31 finance health care needs of low income and rural residents of  
32 Hawaii; now, therefore,  
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34 BE IT RESOLVED by the Senate of the Twenty-fourth  
35 Legislature of the State of Hawaii, Regular Session of 2007,  
36 that the Department of Health and the Department of Taxation are  
37 requested to draft legislation to address the goal of assisting  
38 in the development and testing of a rapid electrochemical  
39 detection product using a methodology that is highly sensitive  
40 and does not require the need to amplify or label the DNA  
41 sample, and which could be used to rapidly and accurately test  
42 for hepatitis and/or other diseases, with appropriate clinical  
43 trials of such product to take place in the State of Hawaii; and  
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1 BE IT FURTHER RESOLVED that such proposed legislation  
2 address and provide for appropriate incentives or other  
3 consideration to the developer of such product in return for  
4 payments to a trust or fund to finance the health care needs of  
5 low income and rural residents of Hawaii; and

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7 BE IT FURTHER RESOLVED that the departments submit proposed  
8 legislation to this body no later than twenty days prior to the  
9 convening of the Regular Session of 2008; and

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11 BE IT FURTHER RESOLVED that certified copies of this  
12 Resolution be transmitted to the Director of Health and Director  
13 of Taxation.

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OFFERED BY: 

