STAND. COM. REP. NO. **79**

Honolulu, Hawaii February 10, 2017

RE: H.B. No. 847 H.D. 1

Honorable Joseph M. Souki Speaker, House of Representatives Twenty-Ninth State Legislature Regular Session of 2017 State of Hawaii

Sir:

Your Committee on Higher Education, to which was referred H.B. No. 847 entitled:

"A BILL FOR AN ACT RELATING TO UNIVERSITY OF HAWAII RESEARCH,"

begs leave to report as follows:

The purpose of this measure is to provide the University of Hawaii with express statutory authority to create, promote, and participate in new economic enterprises and expand workforce opportunities through the commercialization of inventions and discoveries generated by or at the University.

The University of Hawaii, High Technology Development Corporation, The Chamber of Commerce Hawaii, Sultan Ventures, Hawaii Business Roundtable Incorporated, XLR8UH, and Hawaii Venture Capital Association supported this bill. A concerned individual opposed this measure. The Department of Budget and Finance, Hawaii State Ethics Commission, State Procurement Office, The Civil Beat Law Center for the Public Interest, and Society of Professional Journalists Hawaii Chapter submitted comments.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050; and
- (2) Making technical, nonsubstantive amendments for consistency, clarity, and style.



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A provision in this measure requires state laws, including the Ethics Code, to be construed in light of the public benefits created and the state interests advanced by the University's research activities. The Hawaii State Ethics Commission's (Commission) testimony suggested that this provision is unnecessary because when applying the Ethics Code, the Commission always considers the State's purpose. While respecting the position of the current Commission, your Committee is concerned that the application of the Ethics Code by a future Commission may differ from current Commission practices. Accordingly, your Committee has decided to retain the provision.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 847, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 847, H.D. 1, and be referred to your Committee on Judiciary.

> Respectfully submitted on behalf of the members of the Committee on Higher Education,

WOODSON, Chair



State of Hawaii House of Representatives The Twenty-ninth Legislature



Record of Votes of the Committee on Higher Education

Bill/Resolution No.: HB B47		e Referral: JUD, FIN	Date	2/7/2	2017
θ The committee is reconsidering its prev				i	
	unamended (short form bi		s, with amendments on mit for future public		
HED Members		Ayes	Ayes (WR)	Nays	Excused
1. WOODSON, Justin H. (C)	i i i	\checkmark			
2. HASHEM, Mark J. (VC)				·····	
3. CREAGAN, Richard P.					
4. HAR, Sharon E.		V			
5. ING, Kaniela		\mathbf{V}			
6. OHNO, Takashi					
7. ONISHI, Richard H.K.		\checkmark		:	· · · · · · · · · · · · · · · · · · ·
8. TAKUMI, Roy M.		\checkmark			
9. MATSUMOTO, Lauren Kealoh	ilani				
				-	
TOTAL (9)		A	0	\cap	\bigcap
	opted referral,	θ Not Adopte	did not suppo	rt recommendation	n.
Vice Chair's or designee's signature:	Mar	fifted	2	· · · · ·	
Distribution: Original (White) – Commi	ittee Di	uplicate (Yellow) -	Chief Clerk's Office	Duplicate (I	Pink) – HMSO