
A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 SECTION 1. The legislature recognizes the importance of
2 fostering science, technology, engineering, and mathematics
3 education in our public education system from grade school
4 through the university level and beyond. Each year, the
5 legislature appropriates significant sums to fund initiatives
6 that further science, technology, engineering, and mathematics
7 education at all levels of Hawaii's education system. A
8 science, technology, engineering, and mathematics education and
9 a culture of innovation are essential to help grow and diversify
10 Hawaii's economy with new products, services, and processes.

11 However, each year, many Hawaii residents leave the State
12 to pursue careers in science, technology, engineering, and
13 mathematics across the United States and the globe. Many of
14 these residents do not want to leave but feel that they have no
15 choice because there are too few career opportunities in
16 science, technology, engineering, and mathematics in the State.



1 The legislature finds that funding science, technology,
2 engineering, and mathematics educational initiatives alone does
3 not ensure the availability of jobs in science, technology,
4 engineering, and mathematics for Hawaii's residents.
5 Educational efforts to promote science, technology, engineering,
6 and mathematics must be matched with initiatives that help
7 foster jobs in research and technology, which form the core of
8 innovation. Innovative research and development help spur
9 growth and maintain the technology industry and are the critical
10 first step in the product development cycle.

11 Innovation is essential for creating new jobs in the high-
12 technology sector as well as in more-traditional economic
13 sectors. In recent years, innovation has led to new jobs in
14 sectors as diverse as defense or dual-use technology, software
15 and information technology, life sciences and biotechnology, and
16 clean energy. At the same time, innovations ripple through the
17 economy, creating jobs for workers building advanced
18 infrastructure, such as clean energy solutions; installing
19 broadband networks; and using new devices and products in the
20 service industries, such as healthcare and tourism. Innovation



1 is also critical for sustaining the vitality and resilience of
2 Hawaii's economy.

3 Although future challenges are impossible to predict, the
4 State's economy will be able to respond to any challenges by
5 adapting innovative solutions and re-deploying old activities
6 and jobs, thereby making industries in the State less
7 susceptible to adverse circumstances.

8 The legislature further finds that innovation is the key to
9 remaining competitive globally; creating new and better science,
10 technology, engineering, and mathematics jobs for Hawaii's
11 residents; and creating a more resilient economy. Support for
12 research and development stimulates the growth of jobs in
13 science, technology, engineering, and mathematics.

14 The purpose of this Act is to support research and
15 development in the State by establishing a research and
16 technology grant program within the high technology development
17 corporation.

18 SECTION 2. The Hawaii Revised Statutes is amended by
19 adding a new chapter to be appropriately designated and to read
20 as follows:



1 "CHAPTER

2 RESEARCH AND TECHNOLOGY GRANT PROGRAM

3 § -1 Definitions. As used in this chapter:

4 "Corporation" means the high technology development
5 corporation.

6 "Qualified research and technology company" means a Hawaii
7 for-profit company primarily engaged in research, mathematics,
8 science, and engineering activities, as evidenced by the receipt
9 of patents or federal research contracts performed in the State.

10 § -2 Research and technology grant program; established.

11 There is established within the corporation a research and
12 technology grant program to be developed and administered by the
13 corporation and through which the corporation shall award grants
14 to qualified research and technology companies. The corporation
15 shall accept applications for grants on forms prescribed and
16 prepared by the corporation.

17 § -3 Eligibility for research and technology grants.

18 (a) The corporation shall award grants for the research and
19 technology grant program only to research and technology
20 companies that:



- 1 (1) Have applied for and received United States and
2 foreign patents on their technology;
- 3 (2) Have applied for and received federal research
4 contracts;
- 5 (3) Comply with all applicable federal, state, and county
6 laws, rules, ordinances, and policies;
- 7 (4) Agree not to use state funds for entertainment or
8 lobbying activities;
- 9 (5) Allow the corporation, legislative committees and
10 their staff, and the auditor full access to their
11 records, files, and other related documents and
12 information for purposes of monitoring, measuring the
13 effectiveness of, and ensuring the proper expenditure
14 of the grant; and
- 15 (6) Are incorporated under the laws of the State.

16 No grant shall be awarded to a qualified research and technology
17 company that has been in operation for fewer than five years.

18 (b) Projects eligible to receive grants from the research
19 and technology grant program shall include:



1 (1) Projects that foster science, technology, engineering,
2 and mathematics education at the K-12 or post-
3 secondary levels;

4 (2) Projects that are based on the principles of robotics,
5 engineering, science, or mathematics; and

6 (3) Projects that involve the direct participation of
7 students at the K-12 or post-secondary levels.

8 (c) The grant shall be equal to fifty per cent of the
9 costs incurred in Hawaii for an eligible project, pursuant to
10 subsection (b), during the previous calendar year, or paid after
11 January 1, 2016.

12 (d) Preference for the award of grants shall be given to
13 projects that involve the input of students and that attract
14 resources and funding from outside Hawaii into the State.

15 (e) No individual grant shall exceed \$ in any
16 calendar year, and a qualified research and technology company
17 shall be awarded no more than one grant per calendar year.

18 **§ -4 Reports.** The corporation shall submit a report to
19 the legislature no later than twenty days prior to the convening
20 of each regular session in an even-numbered year. The report
21 shall include:



- 1 (1) The total number of grant applications received;
- 2 (2) The total number of grants awarded;
- 3 (3) The actual economic and workforce development benefits
- 4 realized from the awarding of each grant;
- 5 (4) The total amount of money awarded for each grant; and
- 6 (5) Any other information about the research and
- 7 technology grant program that the corporation deems
- 8 necessary.

9 **§ -5 Rules.** The corporation shall adopt rules pursuant
10 to chapter 91 to implement this chapter.

11 **§ -6 Exemption from chapters 42F, 103D, and 103F.**
12 Chapters 42F, 103D, and 103F shall not apply to the grants made
13 pursuant to this chapter. All grants shall be made in
14 accordance with the standards and conditions specified in
15 section -3.

16 **§ -7 Research and technology grant program;**
17 **appropriations.** Moneys appropriated for the research and
18 technology grant program may be used to pay for the cost of
19 administering, operating, and marketing the grant program, as
20 determined by the chief executive officer of the corporation."



H.B. NO. 913

1 SECTION 3. There is appropriated out of the general
 2 revenues of the State of Hawaii the sum of \$ or so much
 3 thereof as may be necessary for fiscal year 2017-2018 and the
 4 same sum or so much thereof as may be necessary for fiscal year
 5 2018-2019 for the purposes of this Act.

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

8 SECTION 4. This Act shall take effect on July 1, 2017.
 9

INTRODUCED BY: _____

[Handwritten signatures: J. K. Iwano, J. J. J., D. H., and a large signature]

JAN 23 2017



H.B. NO. 973

Report Title:

Research and Grant Technology Program; Appropriation

Description:

Establishes and appropriates funds for a Research and Grant Technology Program within the High Technology Development Corporation.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

