

STAND. COM. REP. NO.

2944

Honolulu, Hawaii

MAR 14 2018

RE: H.B. No. 2556
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Economic Development, Tourism, and
Technology, to which was referred H.B. No. 2556, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO INNOVATION BUSINESS,"

begs leave to report as follows:

The purpose and intent of this measure is to support the
successes of the science and technology industries in Hawaii by:

- (1) Establishing the research and development program to
help Hawaii-based small businesses collaborate with
commercial partners;
- (2) Establishing the research and development special fund;
and
- (3) Appropriating funds for the research and development
program.

Your Committee received testimony in support of this measure
from the Hawaii Technology Development Corporation; Oceanit
Laboratories, Inc.; Chamber of Commerce Hawaii; Makai Ocean
Engineering, Inc.; Oahu County Committee on Legislative Priorities
of the Democratic Party of Hawai'i; Navatek; and five individuals.



Your Committee finds the Hawaii Technology Development Corporation has a vision to create 80,000 new innovation jobs in Hawaii, all earning \$80,000 or more, by 2030. Your Committee believes that this measure will support innovation in Hawaii and encourage innovative ideas from the local community. Innovation achieved through research and development has helped to expand economic growth in Hawaii. Your Committee further finds that supporting the research and development sector in Hawaii will not only further economic growth, but will bring in a wide range of highly skilled, high-paying jobs targeted to the younger generation, in hopes of keeping them in Hawaii and expanding the economy even further.

Your Committee has amended this measure by:

- (1) Replacing the defined term "small business" with "Hawaii-based small business" and amending the definition to add requirements that a small business must meet in order to be considered a "Hawaii-based small business";
- (2) Adding a definition for "resident" to have the same meaning as in section 235-1, Hawaii Revised Statutes; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Tourism, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2556, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2556, H.D. 1, S.D. 1, and be referred to your Committee on Ways and Means.



Respectfully submitted on
behalf of the members of the
Committee on Economic
Development, Tourism, and
Technology,



GLENN WAKAI, Chair



Record of Votes
Committee on Economic Development, Tourism, and Technology
ETT

*Only one measure per Record of Votes