STAND. COM. REP. NO.

2944

Honolulu, Hawaii

MAR 1 4 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:

- 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 Hawaii; 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 WAKAT

Chair

The Senate Twenty-Ninth Legislature State of Hawai'i

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

Bill / Resolution No.:* Comm	nittee l	Referral:	Da	ite:	
HB 2556 HOI E	117	WAM		3/12/	18
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:	-				
Pass, unamended V Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye⁄	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)		V /			
TANIGUCHI, Brian T. (VC)		V			
BAKER, Rosalyn H.					
GALUTERIA, Brickwood		/	1. 1		
THIELEN, Laura H.		✓			
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			\$1.5		
TOTAL	,	3	0	0	2
Recommendation: Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy					

*Only one measure per Record of Votes