
A BILL FOR AN ACT

RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

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

1 SECTION 1. The legislature finds that, in light of the
2 State's ongoing economic recovery from the outbreak of the
3 coronavirus disease 2019 (COVID-19), the State must accelerate
4 its economic diversification efforts through substantial,
5 strategic, coordinated investments.

6 This Act establishes a policy framework for Hawaii
7 technology development corporation projects that will ensure
8 economic success. The legislature finds that the implementation
9 of this framework will not require a significant additional
10 investment in overhead resources but will require funds for
11 specific projects that are identified collaboratively by the
12 legislature and the Hawaii technology development corporation.
13 The implementation will also require the establishment of
14 specific goals that these projects will address and reports to
15 the legislature that assess the effectiveness of the projects in
16 meeting those goals.



1 The legislature finds that through this Act, the Hawaii
2 technology development corporation will serve as a facilitative
3 catalyst for innovation in the State and will help to align the
4 State with the emerging knowledge-based, zero-emission, and
5 digital global economy while putting Hawaii on the path toward
6 economic prosperity.

7 The purpose of this Act is to promote economic recovery and
8 diversification by:

- 9 (1) Establishing state goals for economic growth fueled by
10 innovation and technology;
- 11 (2) Appropriating funds to the Hawaii technology
12 development corporation to implement specific projects
13 that address those goals; and
- 14 (3) Requiring the Hawaii technology development
15 corporation to submit annual reports over three years
16 to the legislature.

17 SECTION 2. (a) The projects for which funds are
18 appropriated pursuant to sections 4 and 5 of this Act shall
19 align with one or more of the following goals that address
20 economic diversification:



- 1 (1) Economic diversification through participation in the
2 digital economy: projects shall address economic
3 diversification by strengthening Hawaii's
4 participation in the digital economy, including:
5 (A) Accessing new markets and market opportunities;
6 (B) Strengthening business capacity and readiness to
7 participate in the digital economy;
8 (C) Retaining and strengthening businesses that are
9 increasing revenues through the digital economy;
10 (D) Strengthening digital economy infrastructure,
11 including broadband affordability and coworking
12 facilities; and
13 (E) Increasing the number of businesses, revenue, and
14 employees dedicated to the digital economy.
- 15 (2) Economic diversification through strengthened trade
16 activities: projects shall address economic
17 diversification by strengthening traded activities
18 that redistribute Hawaii's gross domestic product,
19 including:
20 (A) Increasing the export of goods manufactured in
21 the State;



- 1 (B) Increasing the export of knowledge-based
- 2 professional services;
- 3 (C) Increasing the value of knowledge-based
- 4 professional services through research and
- 5 development and intellectual property;
- 6 (D) Strengthening the post-production capacity for
- 7 value-added agriculture and manufacturing; and
- 8 (E) Increasing the number of businesses, revenue, and
- 9 employees in traded sectors.
- 10 (3) Economic diversification through increase in activity
- 11 to reduce and mitigate climate change: projects shall
- 12 address economic diversification by focusing on
- 13 activities at the intersection of technology
- 14 development and climate change mitigation, including:
- 15 (A) Making renewable energy more affordable;
- 16 (B) Retaining and strengthening businesses that are
- 17 increasing revenues through solutions to reduce
- 18 climate change;
- 19 (C) Increasing the export of knowledge-based
- 20 professional services related to climate change
- 21 mitigation; and



1 (D) Increasing the number of businesses, revenue, and
2 employees in renewable energy sectors.

3 (b) The Hawaii technology development corporation shall
4 implement the projects for which funds are appropriated in
5 sections 4 and 5 of this Act for the purpose of meeting the
6 goals described in subsection (a); provided that the Hawaii
7 technology development corporation may work with any other state
8 or county agency for the implementation of the assigned
9 projects.

10 (c) No later than twenty days prior to the convening of
11 the regular sessions of 2024, 2025, and 2026, the Hawaii
12 technology development corporation shall submit a report to the
13 legislature that includes:

14 (1) A summary of the progress of the projects assigned to
15 the Hawaii technology development corporation by this
16 Act;

17 (2) The outcomes of the projects assigned to the Hawaii
18 technology development corporation by this Act,
19 including an assessment of each project's
20 effectiveness in achieving the goals described in
21 subsection (a); and



1 (3) Any findings and recommendations, including any
2 proposed legislation.

3 SECTION 3. There is appropriated out of the general
4 revenues of the State of Hawaii the sum of \$ or so
5 much thereof as may be necessary for fiscal year 2023-2024 to be
6 deposited into the strategic development programs revolving
7 fund.

8 SECTION 4. There is appropriated out of the strategic
9 development programs revolving fund the sum of \$ or so
10 much thereof as may be necessary for fiscal year 2023-2024 for
11 the purpose of stimulating private capital investments into
12 small businesses in Hawaii.

13 The sum appropriated shall be expended by the Hawaii
14 technology development corporation for the purposes of this Act.

15 SECTION 5. There is appropriated out of the general
16 revenues of the State of Hawaii the sum of \$ or so
17 much thereof as may be necessary for fiscal year 2023-2024 for
18 the purpose of economic diversification, as described in section
19 2(a) of this Act, as follows:



1 (1) \$ to accelerate economic diversification by
2 supporting, enhancing, and encouraging new accelerator
3 programs;

4 (2) \$ to support economic development
5 opportunities with the trade sector, especially
6 products manufactured in Hawaii;

7 (3) \$ to support economic development
8 opportunities with the defense sector, including
9 aerospace and supporting companies conducting small
10 business innovation research through matching grants;
11 and

12 (4) \$ or to reduce and mitigate climate change
13 through renewable energy technology demonstration
14 projects such as hydrogen, geothermal, or clean
15 ground, air, and sea transportation.

16 The sum appropriated shall be expended by the Hawaii
17 technology development corporation for the purposes of this Act.

18 SECTION 6. The appropriation made for projects authorized
19 by section 5 of this Act shall not lapse at the end of the
20 fiscal biennium for which the appropriation is made; provided



1 that all moneys from the appropriation unencumbered as of
2 June 30, 2025, shall lapse as of that date.

3 SECTION 7. This Act shall take effect on June 30, 3000.

4



Report Title:

Hawaii Technology Development Corporation; Economic
Diversification; Appropriation

Description:

Establishes a public policy framework that addresses state goals in the area of economic diversification. Appropriates funds to the Hawaii Technology Development Corporation to implement specific projects that address those goals. Requires the Hawaii Technology Development Corporation to submit annual reports over three years to the legislature. Effective 6/30/3000. (HD1)

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