STAND. COM. REP. NO.

468

Honolulu, Hawaii

, 2023

FEB 15

RE: H.B. No. 999

H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 999 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish state goals for economic growth fueled by innovation and technology;
- (2) Appropriate funds to the Hawaii Technology Development Corporation to implement specific projects that address the established state goals; and
- (3) Require the Hawaii Technology Development Corporation to submit annual reports over three years on the progress and outcomes of the projects.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Technology Development Corporation; Hawaii Farm Bureau; and one individual.

Your Committee finds that the State must accelerate its economic diversification efforts through substantial, strategic, coordinated investments as part of its ongoing recovery from the COVID-19 pandemic. This measure establishes a policy framework for Hawaii Technology Development Corporation projects that aligns individual projects with larger state objectives that will ensure economic success. This measure also includes reporting requirements and objectives that will ensure transparency and accountability in the implementation of the projects.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Changing its effective date to June 30, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider an appropriation amount of:

- (1) \$5,000,000 to be deposited into and appropriated out of the Strategic Development Programs Revolving Fund to stimulate private capital investments into small businesses in Hawaii; and
- (2) \$10,000,000 for economic diversification, to be used as follows:
  - (A) \$2,000,000 to accelerate economic diversification by supporting, enhancing, and encouraging new accelerator programs;
  - (B) \$2,000,000 to support economic development opportunities with the trade sector, especially products manufactured in Hawaii;
  - (C) \$2,000,000 to support economic development opportunities with the defense sector, including aerospace and supporting companies conducting small

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business innovation research through matching grants; and

(D) \$4,000,000 to reduce and mitigate climate change through renewable energy technology demonstration projects such as hydrogen, geothermal, or clean ground, air, and sea transportation.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 999, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 999, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committee on Economic Development,

DANIEL HOLT, Chair

## State of Hawaii House of Representatives The Thirty-second Legislature

## **Record of Votes of the Committee on Economic Development**

Bill/Resolution No.: HB999	Committee Referral: ECD, FIN	Date:	2/8/23	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)				
2. LAMOSAO, Rachele F. (VC)				, To the second
3. HUSSEY-BURDICK, Natalia				Nast (
4. KONG, Sam Satoru				
5. NAKAMURA, Nadine K.		Taxas I		And the state of t
6. QUINLAN, Sean				
7. PIERICK, Elijah				alaman da
7. TERICK, Enjan				
TOTAL (7)		-		
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				