

Honolulu, Hawaii

APR 06 2023

RE: H.B. No. 999
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 999, H.D. 1, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to promote economic growth and diversification within the State.

Specifically, this measure:

- (1) Establishes specific state goals for economic growth;
- (2) Appropriates funds to the Hawaii Technology Development Corporation to fund specific projects that address those goals;
- (3) Requires the Hawaii Technology Development Corporation to submit annual reports addressing the progress and outcomes of the projects funded in paragraph (2) over three years; and
- (4) Temporarily reestablishes, for three years, the Hawaii Office of Naval Research Grant Program.



Your Committee received written comments in support of this measure from the Department of Business, Economic Development, and Tourism; Hawaii Technology Development Corporation; Hyperspective Studios, Inc.; Nalu Scientific, LLC; Guide Star Engineering LLC; Hawaiian Chip Company, LLC; Blue Startups, LLC; Hawaii Fish Company, Inc.; VisSidus Technologies, Inc.; Aloha Tofu Factory, Inc.; 3D Innovations; Hawaii Food Manufacturers Association; Mana Up; Hawaii Venture Capital Association; Holomua Collaborative; and two individuals.

Your Committee received written comments on this measure from Makai Ocean Engineering, Inc.

Your Committee finds that the projects identified in this measure will serve as a facilitative catalyst for innovation in the State and will help to align the State with the emerging knowledge-based, zero-emission, and digital global economy while putting Hawaii on the path toward economic prosperity.

Your Committee has amended this measure by:

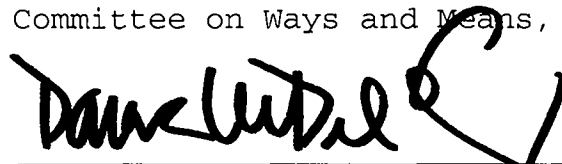
- (1) Amending the appropriation of moneys to the Hawaii Technology Development Corporation for economic diversification projects by clarifying that:
 - (A) \$2,000,000 shall be used to accelerate economic diversification by supporting, enhancing, and encouraging new accelerator programs;
 - (B) \$2,000,000 shall be used to support economic development opportunities with the trade sector by working with strategic partners to build awareness of Hawaii-made products outside of the State;
 - (C) \$2,000,000 shall be used for operations, administration, and award of grants by the Hawaii small business innovation research program;
 - (D) \$2,000,000 shall be used to support economic development opportunities with the defense sector and to support companies conducting small business innovation research to transition past grants into large contracts;



- (E) \$1,500,000 shall be used for operations, administration, and award of grants by the manufacturing assistance program;
 - (F) \$1,500,000 shall be used to reduce and mitigate climate change through renewable energy technology demonstration projects in support of Hawaii's hydrogen hub proposal to the United States Department of Energy; and
 - (G) Any unencumbered funds shall lapse on June 30, 2026, instead of June 30, 2025;
- (2) Appropriating an unspecified sum to establish within the Hawaii Technology Development Corporation one full-time equivalent asset manager position and one full-time equivalent aerospace development coordinator position; and
 - (3) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 999, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 999, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
 Thirty-Second Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 999, HDI, SDI	Committee Referral: EET, WAM	Date: 4/5/23		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	✓			
KEITH-AGARAN, Gilbert S.C. (VC)				✓
AQUINO, Henry J.C.	✓			
DECOITE, Lynn	✓			
INOUYE, Lorraine R.	✓			
KANUHA, Dru Mamo	✓			
KIDANI, Michelle N.	✓			
KIM, Donna Mercado	✓			
LEE, Chris	✓			
MORIWAKI, Sharon Y.				✓
SHIMABUKURO, Maile S.L.				✓
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	10			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> 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