

STAND. COM. REP. NO.

1009

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1297  
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 S.B. No. 1297, 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 establish a public policy framework to address the State's goals in the area of economic diversification.

Specifically, the measure:

- (1) Appropriates moneys to the Hawaii Technology Development Corporation to implement specific projects that address the State's economic diversification goals;
- (2) Requires the Hawaii Technology Development Corporation to submit annual reports to the Legislature;
- (3) Authorizes the Hawaii Technology Development Corporation to temporarily re-establish the Hawaii Office of Naval Research Grant Program to provide fifty percent matching grants to Hawaii awardees of alternative energy research grants from the Department of Defense Office of Naval Research; and



- (4) Establishes and appropriates moneys into, and out of, the Alternative Energy Research and Development Revolving Fund.

Your Committee received written comments in support of this measure from the Hawaii Technology Development Corporation; Department of Business, Economic Development, and Tourism; Hawaii County Councilmember for District 5; Makai Ocean Engineering, Inc.; HIplan; Guide Star Engineering, LLC; Experiad Solutions; Chamber of Commerce Hawaii; Maui Brewing Co.; Oceanic Imaging Consultants; Pacific Asian Center for Entrepreneurship; Hawaii Venture Capital Association; Mana Up; Blue Startups; Hawaii Island Economic Development Board; Purple Maia Foundation; Hawaii Fish Company, Inc.; Tea Hawaii & Company; VisSidus Technologies, Inc.; Hub Coworking Hawaii; HNu Photonics; Nalu Scientific, LLC; Hyperspective Studios, Inc.; Elemental Exceleator; Hawaiian Vinegar & Spice Company; Hawaii Hui, LLC; and three individuals.

Your Committee received written comments on this measure from one individual.

Your Committee finds that this measure provides a framework to accelerate the State's economic diversification efforts through substantial, strategic, coordinated investments that align individual projects with larger State objectives.

Your Committee notes that Oceanit requested in written comments that the matching grant fund be increased to \$5,000,000.

Your Committee has amended this measure by:

- (1) Amending the composition of the Hawaii Technology Development Corporation Board of Directors to include the Chairperson of the Board of Regents of the University of Hawaii, unless the Chairperson, with the approval of the Board of Regents and subject to quorum and majority requirements, designates another Regent to serve;
- (2) Amending sunset dates to establish the Hawaii Office of Naval Research Grant Program as a three-year program, rather than a two-year program;



- (3) Changing the appropriation amounts to unspecified sums;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (5) Making technical, nonsubstantive changes 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 S.B. No. 1297, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1297, S.D. 2.

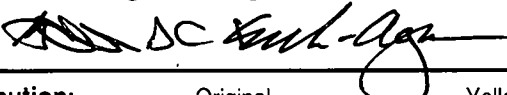
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
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.:* <b>SB 1297 SDI</b>	Committee Referral: <b>EET, WAM</b>	Date: <b>3/2/23</b>		
<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)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	<del>X</del> <b>GA</b>			X
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>12</b>			<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original    Yellow    Pink    Goldenrod File with Committee Report    Clerk's Office    Drafting Agency    Committee File Copy				

\*Only one measure per Record of Votes