

JAN 17 2025

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 the implementation
2 of a policy framework for the Hawaii technology development
3 corporation (HTDC) will not require a significant additional
4 investment in overhead resources but will require funds for
5 specific projects that are identified collaboratively by the
6 legislature and HTDC. The implementation will also require the
7 establishment of specific goals that these projects will address
8 and reports to the legislature that assess the effectiveness of
9 the projects in meeting those goals.

10 The legislature further finds that HTDC will serve as a
11 facilitative catalyst for innovation in the State and will help
12 to align the State with the emerging knowledge-based, zero-
13 emission, and digital global economy while putting Hawaii on the
14 path toward economic prosperity.

15 Accordingly, the purpose of this Act is to promote economic
16 recovery and diversification by:



- 1 (1) Requiring HTDC to establish state goals and implement
2 projects to promote economic diversification through
3 innovation and technology;
- 4 (2) Appropriating funds to HTDC to implement projects to
5 achieve these goals; and
- 6 (3) Requiring the HTDC to submit annual reports to the
7 legislature on the projects implemented pursuant to
8 this Act.

9 SECTION 2. (a) The Hawaii technology development
10 corporation shall establish the following state goals and
11 implement projects to facilitate economic diversification
12 through innovation and technology:

- 13 (1) Economic diversification through participation in the
14 digital economy. Projects to achieve this state goal
15 shall promote economic diversification by
16 strengthening the State's participation in the digital
17 economy, including:
- 18 (A) Accessing new markets and market opportunities;
- 19 (B) Strengthening business capacity and readiness to
20 participate in the digital economy;



- 1 (C) Retaining and strengthening businesses that are
- 2 increasing revenues through the digital economy;
- 3 (D) Strengthening digital economy infrastructure
- 4 including broadband affordability and coworking
- 5 facilities; and
- 6 (E) Increasing the number of businesses, revenue, and
- 7 employees dedicated to the digital economy;
- 8 (2) Economic diversification through strengthened trade
- 9 activities. Projects to achieve this state goal shall
- 10 promote economic diversification by strengthening
- 11 traded activities that redistribute the State's gross
- 12 domestic product, including:
 - 13 (A) Increasing the export of goods manufactured in
 - 14 the State;
 - 15 (B) Increasing the export of knowledge-based
 - 16 professional services;
 - 17 (C) Increasing the value of knowledge-based
 - 18 professional services through research and
 - 19 development and protection of intellectual
 - 20 property rights;



- 1 (D) Strengthening the post-production capacity for
- 2 value-added agriculture and manufacturing; and
- 3 (E) Increasing the number of businesses, revenue, and
- 4 employees in traded sectors; and
- 5 (3) Economic diversification through increased activity to
- 6 reduce and mitigate climate change. Projects to
- 7 achieve this state goal shall promote economic
- 8 diversification by focusing on activities at the
- 9 intersection of technology development and climate
- 10 change mitigation, including:
- 11 (A) Making renewable energy more affordable;
- 12 (B) Retaining and strengthening businesses that are
- 13 increasing revenues through solutions to reduce
- 14 climate change;
- 15 (C) Increasing the export of knowledge-based
- 16 professional services related to climate change
- 17 mitigation; and
- 18 (D) Increasing the number of businesses, revenue, and
- 19 employees in renewable energy sectors.
- 20 (b) The corporation may work with any other state or
- 21 county agency for the implementation of these projects.



1 (c) No later than twenty days prior to the convening of
2 the regular sessions of 2026, 2027, and 2028, the corporation
3 shall submit a report to the legislature that includes:

- 4 (1) The status of the projects implemented, or to be
5 implemented by the corporation pursuant to this Act;
6 (2) The outcomes of the projects, including an assessment
7 of each project's effectiveness in achieving the
8 applicable state goals; and
9 (3) Findings and recommendations, including any proposed
10 legislation.

11 (d) For the purposes of this section, "corporation" means
12 the Hawaii technology development corporation.

13 SECTION 3. There is appropriated out of the general
14 revenues of the State of Hawaii the sum of \$6,000,000 or so much
15 thereof as may be necessary for fiscal year 2025-2026 and the
16 same sum or so much thereof as may be necessary for fiscal year
17 2026-2027 for the purpose of economic diversification pursuant
18 to this Act, to be allocated as follows:

- 19 (1) \$2,000,000 to the Hawaii small business innovation
20 research program, to provide matching grants to help
21 companies that received federal small business



1 innovation research or small business technology
2 transfer grants further develop new products to solve
3 critical issues;

4 (2) \$2,000,000 to the manufacturing assistance program, to
5 help Hawaii-based manufacturers become globally
6 competitive; and

7 (3) \$2,000,000 to the accelerator and small business
8 training programs to help develop companies that are
9 solving large-scale problems in the community using
10 innovative, advanced manufacturing, and technology-
11 based solutions.

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

14 SECTION 4. The appropriation made for projects authorized
15 by section 3 of this Act shall not lapse at the end of the
16 fiscal biennium for which the appropriation is made; provided
17 that all moneys from the appropriation unencumbered as of
18 June 30, 2027, shall lapse as of that date.

19 SECTION 5. This Act shall take effect on July 1, 2025.

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INTRODUCED BY:

Lynne DeCorte Borz



S.B. NO. 992

Report Title:

HTDC; SBIR; MAP; Accelerator and Small Business Training Programs; Economic Diversification; Reports; Appropriations

Description:

Requires the Hawaii Technology Development Corporation to establish state goals and implement projects to promote economic diversification through innovation and technology. Requires annual reports to the Legislature. Appropriates funds to the Small Business Innovation Research Program, Manufacturing Assistance Program, and Accelerator and Small Business Training Programs.

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