

Honolulu, Hawaii

FEB 10 2025

RE: S.B. No. 992
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which was referred S.B. No. 992 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:

- (1) Require the Hawaii Technology Development Corporation (HTDC) to establish state goals and implement projects to promote economic diversification through innovation and technology;
- (2) Require annual reports to the Legislature; and
- (3) Appropriate funds to the Small Business Innovation Research Program, Manufacturing Assistance Program, and Accelerator and Small Business Training Programs.

Your Committee received testimony in support of this measure from the Hawai'i Technology Development Corporation; Hawaii Food Industry Association; Chamber of Commerce Hawaii; Hawai'i Farm Bureau; Big Island Coffee Roasters; Piko Provisions; Experiad; Hawaii Biotech, Inc.; Cymz Sweet Kre8tionz LLC; Ai.Fish; PacMar Technologies; Hidden Gears; Meadow Gold Dairies Hawaii; WaiHome LLC; Oceanit; Mana Up; Nalu Scientific, LLC; Hawaii Fish Company



Inc.; Maui Brewing Company; XLR8HI; Sultan Ventures; and two individuals.

Your Committee finds that since its establishment in 1983, HTDC has remained dedicated to its original mandate of serving as the primary state agency to foster economic growth and diversification by meeting the rapidly adapting technology industry. Your Committee believes that while HTDC has been successful in an array of programs and projects, a more focused mission can streamline HTDC to more productively effectuate its goals. This measure will help align HTDC's focus with the emerging knowledge-based, zero-emission, and digital global economy by creating and implementing an overarching policy framework for the current and prospective projects implemented and administered by HTDC.

Your Committee has amended this measure by:

- (1) Changing the appropriations to unspecified amounts;
- (2) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (3) Making a technical, nonsubstantive amendment for the purposes of clarity and consistency.

Your Committee notes that this measure, as amended, contains unspecified appropriation amounts. Should your Committee on Ways and Means choose to deliberate on this measure, your Committee respectfully requests that it considers inserting an appropriation amount of \$6,000,000 to be allocated as follows:

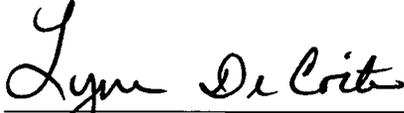
- (1) \$2,000,000 to the Hawaii Small Business Innovation Research Program, to provide matching grants to help companies that received federal small business innovation research or small business technology transfer grants further develop new products to solve critical issues;
- (2) \$2,000,000 to the Manufacturing Assistance Program, to help Hawaii-based manufacturers become globally competitive; and



- (3) \$2,000,000 to the Accelerator and Small Business Training Programs to help develop companies that are solving large-scale problems in the community using innovative, advanced manufacturing, and technology-based solutions.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 992, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 992, S.D. 1, and be referred to your Committee on Ways and Means.

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



LYNN DECOITE, Chair



