

4.B. NO. 2265

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# 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 Hawaii's research  
2 and development ecosystem requires flexible funding to leverage  
3 federal investment opportunities. Federal and non-federal  
4 programs administered by the Advanced Research Projects Agency,  
5 United States Department of Energy, National Oceanic and  
6 Atmospheric Administration, United States Department of Defense,  
7 and other agencies and organizations offer competitive awards to  
8 advance high-impact technologies. These awards often require  
9 matching funds from state or private sources as a condition of  
10 participation.

11 The legislature further finds that section 206M-15, Hawaii  
12 Revised Statutes, currently authorizes the Hawaii technology  
13 development corporation to provide grants to businesses applying  
14 for federal small business innovation research or small business  
15 technology transfer awards, but does not expressly permit the  
16 use of state funds to support applicants for other federal

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1 research and development grant programs or to meet matching  
2 requirements for those awards.

3 The purpose of this Act is to expand the allowable uses of  
4 funds under section 206M-15, Hawaii Revised Statutes, to include  
5 providing grants to applicants for qualifying federal research  
6 and development awards and matching funds for recipients of  
7 those awards and related contracts.

8 SECTION 2. Section 206M-15, Hawaii Revised Statutes, is  
9 amended by amending subsection (b) to read as follows:

10 "(b) The development corporation may provide grants to any  
11 business in Hawaii that:

12 (1) Receives a federal small business innovation research  
13 phase I or II award or contract from any participating  
14 federal agency, up to fifty per cent of the amount of  
15 the federal award or contract;

16 (2) Receives a federal small business technology transfer  
17 program award or contract from any participating  
18 federal agency, up to fifty per cent of the amount of  
19 the federal award or contract;

20 (3) Receives a federal small business innovation research  
21 phase III or small business technology transfer  
22 program phase III award or contract, up to fifty per

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1 cent of the amount of the award or contract funded by  
2 private sector or government sources outside of the  
3 program; [ər]

4 (4) Applies for a [small business innovation research  
5 federal grant or a small business technology transfer  
6 program federal grant,] federal research and  
7 development grant, in an amount not to exceed  
8 \$3,000[ ]; or

9                   (5) Receives a federal research and development award or  
10                   contract from a United States government agency that  
11                   requires a non-federal match on a matching basis, in an  
12                   amount not to exceed fifty percent of the amount of  
13                   the required non-federal share,  
14                   subject to the availability of funds."

**14** subject to the availability of funds."

15 SECTION 3. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

**17** SECTION 4. This Act shall take effect upon its approval.

18  
19 INTRODUCED BY: *Nedra K. Nease*

INTRODUCED BY:

Nudie K. Hansen

BY REQUEST  
JAN 26 2026

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**Report Title:**

Hawaii Technology Development Corporation; Matching Funds; Research and Development Grants

**Description:**

Expands the allowable uses of Hawaii Technology Development Corporation grant funds to include providing grants to applicants for qualifying federal research and development awards and matching funds for recipients of those awards and related contracts.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

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JUSTIFICATION SHEET

DEPARTMENT: Business, Economic Development, and Tourism

TITLE: A BILL FOR AN ACT RELATING TO THE HAWAII TECHNOLOGY DEVELOPMENT CORPORATION.

PURPOSE: To expand the allowable uses of Hawaii Technology Development (HTDC) grant funds to include providing grants to applicants for qualifying federal research and development awards and matching funds for recipients of those awards and related contracts.

MEANS: Amend section 206M-15(b), Hawaii Revised Statutes (HRS).

JUSTIFICATION: With the changing landscape of federal funding programs, more opportunities are emerging for small businesses to receive research and development funding from the federal government. Section 206M-15, HRS, authorizes HTDC to provide grants to businesses applying for federal Small Business Innovation Research or Small Business Technology Transfer awards, but does not expressly permit the use of state funds to support applicants for other federal research and development grant programs or to meet matching requirements for those awards. This inflexibility limits HTDC's ability to respond to new opportunities and may result in Hawaii's businesses missing out on competitive federal funding.

This bill allows awards for federal research and development grant programs beyond the Small Business Innovation Research and Small Business Technology Transfer programs, enabling HTDC to act more strategically and support Hawaii's small businesses in pursuing impactful opportunities.

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Impact on the public: More small businesses will be eligible to receive funding from HTDC. Additional small businesses that receive federal dollars for research and development can now be awarded funding.

Impact on the department and other agencies:  
None.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: BED-143.

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: Upon approval.