THE SENATE
THIRTY-THIRD LEGISLATURE, 2025
STATE OF HAWAII

S.B. NO. 989

JAN 17 2025

A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

SECTION 1. The Legislature finds that technology adoption for small businesses in Hawaii is vital for them to overcome a variety of critical technological challenges and remain competitive in an increasingly digital marketplace. Leveraging technology can help small businesses optimize operations, reduce costs, and expand their reach beyond the islands. Digital tools such as booking systems, online marketing platforms, and data analytics can help reduce costs, expand market reach, and help tourism-based businesses attract and retain customers while enhancing the overall visitor experience.

The legislature further finds that technology mitigates the risks of geographic isolation by enabling remote work, virtual services, and e-commerce opportunities. Supporting small businesses with technology adoption ensures their ability to innovate and adapt, bolstering their resilience and contributing to the long-term economic sustainability of Hawaii's

communities. At the same time, non-action would exacerbate the State's current and potential future economic vulnerabilities.

The legislature additionally finds that the Hawaii technology development corporation (HTDC) was established to foster innovation and economic diversification by supporting the growth and development of the State's technology sector. With decades of experience implementing technology-driven initiatives, HTDC has successfully facilitated numerous projects funded by the State and ensured effective use of state resources with a proven track record of fostering innovation and economic diversification through state-funded initiatives, demonstrating expertise in administering grants, supporting start-ups, promoting public-private partnerships, empowering local businesses, and driving economic progress. HTDC's expertise spans a wide range of industries, enabling the effective implementation of cutting-edge technologies tailored to Hawaii's unique challenges and opportunities. HTDC's commitment to leveraging state funding for impactful tech projects underscores its role as a critical catalyst for innovation and competitiveness in Hawaii's economy.

Therefore, the purpose of this Act is to promote economic development by:

(1) Appropriating funds for technology enablement for small businesses; and

(2) Requiring the Hawaii technology development corporation to submit a report to the legislature no later than twenty days prior to the convening of the regular session of 2026.

SECTION 2. There is appropriated out of the general revenues of the State of Hawaii the sum of $500,000 or so much thereof as may be necessary for fiscal year 2025-2026 and the same sum or so much thereof as may be necessary for fiscal year 2026-2027 to assist small businesses with technology enablement.

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

SECTION 3. the Hawaii technology development corporation shall submit a report on the status of assisting technology enablement for small businesses related to the tourism sector to the legislature no later than twenty days prior to the convening of the regular session of 2026.

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SECTION 4. This Act shall take effect on July 1, 2025.

INTRODUCED BY: Lyn Dilorta

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Report Title:
HTDC; Technology Enablement; Small Businesses; Report; Appropriations

Description:
Appropriates funds to the Hawaii Technology Development Corporation to assist small businesses with technology enablement. Requires a report to the Legislature.

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