

ACT 267

H.B. NO. 1083

A Bill for an Act Relating to High Technology.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. The purpose of this Act is to build on the successes of Hawaii's science and technology industries and establish a research and development follow-on funding program for Hawaii-based small businesses that received federal funding through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences.

SECTION 2. (a) Notwithstanding the requirements of chapter 42F, Hawaii Revised Statutes, there is established in the Hawaii strategic development corporation a research and development follow-on funding program for Hawaii-based small businesses that received federal funding through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences.

The purpose of these awards shall be to:

- (1) Provide accelerated economic development in the fields of science and engineering of defense-related dual-use technology by providing follow-on funding to successful research and development projects for technology development, transition, and commercialization;
- (2) Provide capital to sustain high-growth new venture company infrastructure development to assist the enterprise toward commercial success;
- (3) Promote high-quality, high-income job opportunities for Hawaii's residents and graduates of Hawaii's educational institutions;
- (4) Reverse the "brain drain" by allowing talented scientists and engineers to return home to living-wage jobs in Hawaii; and
- (5) Keep the high technology companies in Hawaii by limiting the need to seek out-of-state venture capital, which dilutes local ownership.

(b) The Hawaii Technology Development Venture shall subcontract with selected companies and provide program oversight.

(c) To receive funding, a Hawaii-based company shall:

- (1) Show satisfactory performance in any projects funded through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences;
- (2) Submit proposals to the Hawaii Technology Development Venture for follow-on funding in accordance with the respective program requirements; provided that a substantial portion of the work under the award shall be performed in the state;
- (3) Submit a budget based on parameters set forth by the Hawaii Technology Development Venture;
- (4) Execute agreements in accordance with existing Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences contracting requirements; and
- (5) Submit reports of project progress in accordance with existing Hawaii Technology Development Venture requirements.

(e) The Hawaii Technology Development Venture shall submit reports to the corporation no later than twenty days prior to the regular session of 2008, and annually thereafter until all moneys have been expended, on the activities and expenditures of the follow-on funding program.

SECTION 3. There is appropriated out of the general revenues of the State of Hawaii the sum of \$5,000,000 or so much thereof as may be necessary for fiscal year 2007-2008 for a research and development follow-on funding program for Hawaii-based small businesses that received federal funding through the Hawaii Technology Development Venture or the National Defense Center of Excellence for Research in Ocean Sciences; provided that up to \$500,000 shall be expended for project oversight of program awardees. The funds shall be appropriated as a grant pursuant to chapter 42F, Hawaii Revised Statutes.

The sum appropriated shall be expended by the Hawaii strategic development corporation through a contract with the Pacific International Center for High Technology Research for the purposes of this Act.

SECTION 4. This Act shall take effect on July 1, 2007.

(Became law on July 10, 2007, without the Governor's signature, pursuant to Art. III, §16, State Constitution.)