HAWAII ADMINISTRATIVE RULES

TITLE 15

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT, AND TOURISM

SUBTITLE 6

HIGH TECHNOLOGY DEVELOPMENT CORPORATION

CHAPTER 32

HAWAII SMALL BUSINESS INNOVATION RESEARCH AND SMALL BUSINESS TECHNOLOGY TRANSFER GRANT PROGRAM

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LIEUTENANT GOVERNOR OF HAWAII
THIS IS TO CERTIFY THAT THE FOREGOING IS A
TRUE AND CORRECT COPY OF THE ORIGINAL
WHICH IS ON FILE AND OF RECORD IN THIS OFFICE
MAR 18 2013
HONOLULU, HAWAII

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SUBCHAPTER 1

RULES OF GENERAL APPLICABILITY

§15-32-1 Purpose. The purpose of this chapter is to provide rules governing implementation of the Hawaii small business innovation research and small business technology transfer grant program authorized by chapter 206M, HRS. [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-2 Definitions. As used in this chapter, unless a different meaning clearly appears in context:

"Board" means the board of directors of the development corporation.

"Development corporation" means the high technology development corporation established by chapter 206M, HRS.

"Grant" means financial assistance provided to SBIR and STTR phase I awardees and applicants under the terms and conditions provided in this chapter.

"Hawaii Small Business Innovation Research and Small Business Technology Transfer Grant Program" means the programs administered by the development corporation to encourage participation by Hawaii companies in the federal SBIR and STTR programs.

"HRS" means the Hawaii Revised Statutes.

"Recipient" means any business receiving a grant under this chapter.

"SBIR" means Small Business Innovation Research.

"SBIR phase I award" means an award granted by an agency of the federal government for preliminary investigation under the Small Business Innovation Research Program.

"SBIR phase II award" means an award granted by an agency of the federal government for further investigation of selected SBIR phase I projects.

"State" means the State of Hawaii.

"STTR" means Small Business Technology Transfer.

"STTR phase I award" means an award granted by an agency of the federal government for preliminary investigation under the Small Business Technology Transfer Program.

"STTR phase II award" means an award granted by an agency of the federal government for further investigation of selected STTR phase I projects. [Eff

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12/21/89; am and comp DEC 13 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-3 Purpose of program. The purpose of the Hawaii small business innovation research and small business technology transfer grant program is to provide funds to complement federal SBIR and STTR phase I awards to increase the competitiveness of small businesses in Hawaii and to enhance their prospects for bringing [phase II] SBIR and STTR phase II awards of federal funds into the State. [Eff 12/21/89; am and comp DEC 13 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-4 Grants; purpose; use of. (a) The development corporation may provide grants in accordance with Section 206M-15, HRS.

(b) Grants may be used by any recipient for any of the following purposes:

(1) To purchase equipment or services, augment staff to add expertise required to expedite or enhance the quality of the SBIR or STTR phase I program work, prepare an SBIR or STTR phase I or II program proposal, or prepare for SBIR or STTR phase II program activities.

(2) To establish financial responsibility and to undertake the approved SBIR or STTR phase I program work while awaiting funding from the federal agency granting the SBIR or STTR phase I award.

(3) To serve as a "bridge" to permit the recipient to continue its operations during the time period between the completion of the SBIR or STTR phase I award submission and receipt of SBIR or STTR phase II award funds.

(c) Grants shall not be used by any recipient for any of the following purposes:

(1) Where the direct or indirect purpose or result of the grant would be to:
   (A) Repay a creditor or creditors of the recipient for any reason; or
   (B) Provide funds directly or indirectly as a loan to owners, partners, or shareholders of the recipient;

(2) Effect a change in ownership of the recipient;

(3) Provide or free funds for speculation in any kind of property, real or personal, tangible or intangible; or

(4) Entertainment or lobbying activities. [Eff 12/21/89; am and comp DEC 13 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

SUBCHAPTER 2

ELIGIBILITY AND SELECTION PROCESS

§15-32-5 Eligibility requirements. Any business applying for a grant shall meet all of the following qualifications:

(1) Either:
  (A) Receive an SBIR or STTR phase I award and furnish appropriate documentation as determined by the development corporation that the award has been made; or
  (B) Apply for an SBIR or STTR federal grant and furnish appropriate documentation as determined by the development corporation that the application has been made;
(2) Conduct the SBIR or STTR phase I program activities and any related SBIR or STTR phase II program activities in the State. The SBIR or STTR phase I program activities must be in progress at some time during the calendar year in which the grant is awarded;
(3) Agree that if selected for an SBIR or STTR Phase II award, it will continue to perform the program activities in the State;
(4) Either be incorporated under the laws of the State, or be registered to do business in the State;
(5) Has bylaws or policies that describe the manner in which the activities or services for which the grant is awarded shall be conducted or provided;
(6) Be licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which the grant is awarded;
(7) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, or disability; and
(8) Allow the development corporation, legislative committees and their staff, and the auditor full access to its records, reports, files, and other related documents and information for purposes of monitoring, measuring the effectiveness, and ensuring the proper expenditures of the grant. [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-6 Application procedure. Any business applying for a grant

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shall, as applicable, either:

(1) Upon receipt of notification by the awarding federal agency that an SBIR or STTR phase I award has been approved and funded, forward a copy of the accepted proposal and a copy of the notification of award to the chief executive officer of the development corporation as part of the application; or

(2) Forward a copy of its application for an SBIR or STTR federal award and a copy of the federal agency's acknowledgement of receipt of a completed application to the chief executive officer of the development corporation as part of the application. [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-7 Consideration and review of applications. (a) As soon as practicable following receipt of the application, the chief executive officer of the development corporation shall cause the review of the application and resolution of any questions relating to the application through contact with the grant applicant.

(b) As soon as practicable following such review and resolution, the board shall fully review and evaluate the application.

(c) The application shall be considered by the board for decision at a meeting after its review of the application. [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-8 Preferences and priorities in making grants. (a) In the event that insufficient funds are available to fund all qualified SBIR and STTR phase I awardees, preference shall be given to all qualified businesses receiving their first award over multiple award grantees.

(b) In the event that insufficient funds are available to fund all qualified grant applicants, the development corporation shall be guided by the nature and economic significance of the innovation and research activity of each grant application, the importance of the grant to the activity's success, and the potential economic advantage or job creation prospects offered to the State in determining the distribution of funds. [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-9 Maximum grant amount; disbursement. (a) Maximum grant amounts shall be in accordance with section 206M-15, HRS.

(b) The grant amount may be disbursed as a lump sum upon approval by the

development corporation. [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

SUBCHAPTER 3

INSPECTION AND COMPLETION

§15-32-10 Inspection of premises and records. The development corporation shall have the right to inspect at reasonable hours, the plant, physical facilities, equipment, premises, books, and records of any grant applicant either in the processing of the grant application or in the administration of the grant to the recipient. [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

§15-32-11 Completion of research activities. (a) Upon completion of the SBIR or STTR phase I program activities, recipients shall forward to the development corporation a copy of the transmittal letter that forwarded the completed report to the federal agency.

(b) The development corporation shall seek information regarding problems encountered with the SBIR or STTR phase I program and recommendations for its improvement by encouraging recipients to provide information on their experiences with the SBIR or STTR phase I program at their discretion." [Eff 12/21/89; am and comp DEC 1 3 2012] (Auth: HRS §206M-15) (Imp: HRS §206M-15)

DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT AND TOURISM

Amendments to Chapter 15-32, Hawaii Administrative Rules, were adopted by the High Technology Development Corporation Board of Directors on November 1, 2012 following a public hearing held on July 31, 2012, after public notice was given in the Honolulu Star Advertiser on June 15, 2012.

These amendments shall take effect ten days after filing with the Office of the Lieutenant Governor.

ASSUMPTA RAPOZA
Chairperson of the Board of Directors
High Technology Development Corporation

RICHARD LIM
Director
Department of Business, Economic Development, and Tourism

APPROVED AS TO FORM:

Deputy Attorney General

APPROVED:

NEIL ABERCROMBIE
GOVERNOR
STATE OF HAWAII

Date: 12.3.12

Filed

Stamped in error

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