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# A BILL FOR AN ACT

RELATING TO SEAWATER AIR CONDITIONING DISTRICT COOLING SYSTEMS.

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

1           SECTION 1. The legislature finds that seawater air  
2 conditioning district cooling systems help to reduce our  
3 dependence on fossil fuels and help our economy. The twenty-  
4 five thousand ton seawater air conditioning district cooling  
5 system under development for downtown Honolulu can potentially  
6 reduce Oahu's dependence on imported oil by as much as one  
7 hundred seventy-four thousand barrels annually.

8           The downtown Honolulu Seawater Air Conditioning Project  
9 will generate millions of dollars in construction project  
10 spending. In addition, it will create a significant amount of  
11 long-term, gainful employment. Other local economic development  
12 benefits will accrue from money that stays in Hawaii and is not  
13 exported outside the State to purchase oil.

14           The purpose of this Act is to assist seawater air  
15 conditioning district cooling systems by allowing the systems to  
16 benefit from the State's enterprise zone program.



1 SECTION 2. Section 209E-2, Hawaii Revised Statutes, is  
2 amended by amending the definition of "qualified business" to  
3 read as follows:

4 "Qualified business" means any corporation, partnership,  
5 or sole proprietorship authorized to do business in the State  
6 that is qualified under section 209E-9, subject to the state  
7 corporate or individual income tax under chapter 235, and  
8 [†]is[†]:

- 9 (1) Engaged in manufacturing, the wholesale sale of  
10 tangible personal property as defined in section  
11 237-4, or a service business as defined in this  
12 chapter;
- 13 (2) Engaged in producing agricultural products where the  
14 business is a producer as defined in section 237-5;
- 15 (3) Engaged in research, development, sale, or production  
16 of all types of genetically-engineered medical,  
17 agricultural, or maritime biotechnology products; [æ]
- 18 (4) Engaged in producing electric power from wind energy  
19 for sale primarily to a public utility company for  
20 resale to the public[-]; or
- 21 (5) Engaged in producing air conditioning from a seawater  
22 air conditioning district cooling system."



1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

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



**Report Title:**

Enterprise Zones; Seawater Air Conditioning Cooling System

**Description:**

Allows the sale of cooling from seawater air conditioning district cooling systems to qualify for state enterprise zone benefits. (SD1)

