# A BILL FOR AN ACT

RELATING TO STATE ENTERPRISE ZONES.

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

- 1 SECTION 1. The legislature finds that the development or
- 2 production of renewable energy will stimulate business,
- 3 agricultural, and industrial growth in areas that will result in
- 4 neighborhood revitalization. The addition of other forms of
- 5 renewable resources to the state enterprise zone program is
- 6 consistent with the current approved business activities, which
- 7 presently include wind energy production. State enterprise zone
- 8 tax incentives and regulatory flexibility will help attract
- 9 renewable energy businesses and further the State's renewable
- 10 energy goals.
- 11 The purpose of this Act is to expand eligible business
- 12 activity in the state enterprise zones to include the
- 13 development, production, or energy storage of various types of
- 14 renewable energy.
- 15 SECTION 2. Section 209E-2, Hawaii Revised Statutes, is
- 16 amended by amending the definition of "eligible business
- 17 activity" to read as follows:
- ""Eligible business activity" means the:

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1	(1)	Manufacture of tangible personal property, the
2		wholesale sale of tangible personal property as
3		described in section 237-4, or a service business as
4		defined in this section;
5	(2)	Production of agricultural products where the business
6		is a producer as defined in section 237-5, or the
7		processing of agricultural products, all or some of
8	•	which were grown within an enterprise zone;
9	(3)	Research, development, sale, or production of all
10		types of genetically-engineered medical, agricultural,
11		or maritime biotechnology products; [ex]
12	(4)	Production of electric power from wind energy for sale
13		primarily to a public utility company for resale to
14		the public[-]; or
15	(5)	Development, production, or energy storage of fuels,
16		thermal energy, or electrical energy from renewable
17		resources, including:
18		(A) Wind;
19		(B) Sun;
20		(C) Falling water;
21		(D) Biogas, including landfill and sewage-based
22	_	digester gas;

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1	<u>(E)</u>	<pre>Geothermal;</pre>
2	<u>(F)</u>	Ocean water, currents, and waves, including ocean
3		thermal energy conversion;
4	<u>(G)</u>	Biomass, including biomass crops, agriculture and
5		animal residues and wastes, and solid waste;
6	<u>(H)</u>	Biofuels; and
7	<u>(I)</u>	Hydrogen produced from renewable energy sources.
8	SECTION 3	. Statutory material to be repealed is bracketed
9	and stricken.	New statutory material is underscored.
.0	SECTION 4	. This Act shall take effect upon its approval.

### Report Title:

State Enterprise Zones; Renewable Energy

### Description:

Expands eligible business activity in the state enterprise zones to include the development, production, or storage of various types of renewable energy. (HB2049 HD1)

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