STAND. COM. REP. NO.

Honolulu, Hawaii , 2023 FEB 17 RE: H.B. No. 852 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred H.B. No. 852, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this measure is to expand the types of business activity eligible for participation in Hawaii's Enterprise Zone Program to include the processing of value-added agricultural products grown within an enterprise zone and the development or production of renewable energy.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Ulupono Initiative; Hawai'i Farm Bureau; Hawaii Clean Power Alliance; Hawai'i Gas; and Hawaii Food Industry Association. Your Committee received comments on this measure from the Department of Agriculture.

Your Committee finds that Hawaii's Enterprise Zone Program was established to stimulate certain types of business activity and increase employment in targeted areas of Hawaii through tax and other incentives. Your Committee further finds that agricultural-related businesses account for roughly half of all businesses in the Enterprise Zone Program. Your Committee believes that including the processing of value-added agricultural



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products that are grown within an enterprise zone as an eligible business activity under the Enterprise Zone Program will support the production of value-added products in the State and strengthen the local economy.

Your Committee also finds that including the development or production of renewable energy as an eligible business activity under the Enterprise Zone Program will reduce the overall cost of renewable energy projects and enable greater ratepayer savings.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 852, H.D. 1, and recommends that it be referred to your Committee on Finance.

> Respectfully submitted on behalf of the members of the Committee on Economic Development,

DANIEL HOLT, Chair



State of Hawaii House of Representatives The Thirty-second Legislature

## HSCE 671

## **Record of Votes of the Committee on Economic Development**

Bill/Resolution No.: HB852, HD1 Committee AG16	Referral: R,ECD,FI	N Date:	2115/2	2023
The committee is reconsidering its previous decision on the measure.				
The recommendation is to:  Image: Pass, unamended (as is)  Image: Pass, with amendments (HD)  Image: Hold    Image: Pass short form bill with HD to recommit for future public hearing (recommit)				
ECD Members	Ayes	Ayes (WR)	Nays	Excused
1. HOLT, Daniel (C)		···· ·		
		na an a		
2. LAMOSAO, Rachele F. (VC)				
				n
3. HUSSEY-BURDICK, Natalia				
4. KONG, Sam Satoru	<u></u>			
5. NAKAMURA, Nadine K.		Mandal Andre Langerad, e van diske stat		ter in the second s
6. QUINLAN, Sean				na na serie de la constante de la consta
7. PIERICK, Elijah				
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TOTAL (7)	5	ø	Ø	2
The recommendation is:  Adopted  Not Adopted    If joint referral,				
Vice Chair's or designee's signature: <u><u>RMM</u><u>k</u><u>M</u></u>				
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