

STAND. COM. REP. NO.

1215

Honolulu, Hawaii

MAR 21 2023

RE: H.B. No. 852

H.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Energy, Economic Development, and Tourism,
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 and intent of this measure is to amend the
definition of "eligible business activity" 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; Hawaii State Energy Office; Hawai'i Farm Bureau; Hawaii
Food Industry Association; Hawai'i Forest Industry Association;
Hawaii Clean Power Alliance; Hawai'i Gas; Hawaiian Electric;
Ulupono Initiative; and one individual. Your Committee received
testimony in opposition to this measure from the Environmental
Caucus of the Democratic Party of Hawai'i. Your Committee received
comments on this measure from the Department of Agriculture and
Tax Foundation of Hawaii.

Your Committee finds that the Hawaii Enterprise Zone Program
was established to incentivize the growth of business and increase
employment in designated areas of the State. The Enterprise Zone
Program uniquely benefits rural communities because it is one of



the few programs that focuses efforts on supporting agriculture and forestry, which are often the main business activities in rural communities. Your Committee further finds that allowing a broader range of renewable energy projects to participate in Hawaii's Enterprise Zone Program will stimulate growth and development in the private sector, lead to advances in renewable energy, and help lower the cost of renewable energy projects. This measure will help to strengthen the local economy, support local farmers and rural communities, and help the State reach its renewable energy goals.

As affirmed by the record of votes of the members of your Committee on Energy, Economic Development, and Tourism 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 pass Second Reading and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Energy, Economic
Development, and Tourism,


LYNN DECOITE, Chair



