STAND. COM. REP. NO. 1215

Honolulu, Hawaii

MAR 2 1 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; Hawaii Farm Bureau; Hawaii Food Industry Association; Hawaii Forest Industry Association; Hawaii Clean Power Alliance; Hawaii 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 Hawaii. 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

The Senate Thirty-Second Legislature State of Hawaiʻi

Record of Votes Committee on Energy, Economic Development, and Tourism EET

l 6	Committee Referral: Date:				
HB 852, HDI	EET, WAM 3-16-23				
The Committee is reconsidering its previous decision on this measure.					
If so, then the previous decision was to:					
The Recommendation is:					
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313					
Members		Aye	Aye (WR)	Nay	Excused
DECOITE, Lynn (C)					
WAKAI, Glenn (VC)		$\overline{}$			
FUKUNAGA, Carol					
KIM, Donna Mercado					
FEVELLA, Kurt					V
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1					
TOTAL		3		\mathcal{D}	
Recommendation:					
Adopted Not Adopted					
Chair's or Designee's Signature:					
Distribution: Original	. , ,	ellow	Pink		denrod
File with Committee Report Clerk's Office Drafting Agency Committee File Copy					
*Only <u>one</u> measure per Record of Votes					