

Honolulu, Hawaii

FEB 14 2023

RE: S.B. No. 817

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 S.B. No. 817 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 Gas; Hawai'i Farm Bureau; Hawaii Clean Power Alliance; and one individual. Your Committee received comments on this measure from the Department of Agriculture and Tax Foundation of Hawaii.

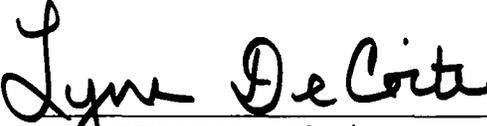
Your Committee finds that the enterprise zone program was initially established within the Department of Business, Economic Development, and Tourism to stimulate certain types of business activity and increase employment in targeted areas of the State. The enterprise zone program is one of the few state programs that incentivize economic development in the most rural and distressed communities where agriculture is often the main business activity. Your Committee believes that clean energy and agriculture are two of Hawaii's top priorities and are essential to the State's



sustainability. This measure will support the production of value added products, help farmers increase their income, and bring the advantages of the enterprise zone program to two of the State's top priorities and most challenging sectors by amending 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.

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 S.B. No. 817 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



