

JAN 23 2026

A BILL FOR AN ACT

RELATING TO STATE ENTERPRISE ZONES.

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

1 SECTION 1. Section 209E-2, Hawaii Revised Statutes, is
2 amended by amending the definition of "eligible business
3 activity" to read as follows:

4 ""Eligible business activity" means the:

- 5 (1) Manufacture of tangible personal property, the
6 wholesale sale of tangible personal property as
7 described in section 237-4, or a service business as
8 defined in this section;
- 9 (2) Production of agricultural products where the business
10 is a producer as defined in section 237-5, or the
11 processing of agricultural products, all or some of
12 which were grown within an enterprise zone;
- 13 (3) Research, development, sale, or production of all
14 types of genetically-engineered medical, agricultural,
15 or maritime biotechnology products; [~~or~~]



1 (4) Production of electric power from wind energy for sale
2 primarily to a public utility company for resale to
3 the public;

4 (5) Operation of a recycling facility, as defined in
5 section 342G-101; or

6 (6) Film production or operation of a film studio;

7 provided that medical cannabis dispensary activities pursuant to
8 chapter 329D shall not be considered an eligible business
9 activity for the purposes of this chapter."

10 SECTION 2. Section 209E-4, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) The governor, upon the recommendation of the
13 director, shall approve the designation of up to [~~six~~] eight
14 areas in each county as enterprise zones for a period of twenty
15 years. Any such area shall be located in one United States
16 census tract or two or more contiguous United States census
17 tracts in accordance with the most recent decennial United
18 States Census. The census tract or tracts within which each
19 enterprise zone is located also shall meet at least one of the
20 following criteria:



- 1 (1) Twenty-five per cent or more of the population have
- 2 incomes below eighty per cent of the median family
- 3 income of the county; or
- 4 (2) The unemployment rate is 1.5 times the state average."

5 SECTION 3. Statutory material to be repealed is bracketed
6 and stricken. New statutory material is underscored.

7 SECTION 4. This Act shall take effect upon its approval.

8

INTRODUCED BY: *Mike Gabbard*



S.B. NO. 2586

Report Title:

State Enterprise Zones

Description:

Increases the number of enterprise zones that may be nominated by each county. Amends the definition of "eligible business activity" to include recycling facilities and film production.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

