

Honolulu, Hawaii

FEB 12, 2026

RE: H.B. No. 2141
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which was referred H.B. No. 2141 entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the number of enterprise zones that may be nominated by each county;
- (2) Authorize enterprise zone designation for census tracts that contain the University of Hawaii John A. Burns School of Medicine or the University of Hawaii Cancer Center; and
- (3) Allow a business not established in an enterprise zone to qualify for enterprise zone benefits if the business has entered into a binding collaboration or contract with a business that is established in census tracts that contain the University of Hawaii John A. Burns School of Medicine or the University of Hawaii Cancer Center.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and



Tourism; Hawaii Community Development Authority; Department of Research and Development of the County of Hawai'i; Oceanit Laboratories, Inc.; and three individuals. Your Committee received comments on this measure from the Department of Taxation; University of Hawai'i System; Hawai'i Technology Development Corporation; and Tax Foundation of Hawaii.

Your Committee finds that the State Enterprise Zones Program was established in 1986 for the purpose of stimulating business activity, job growth, and job retention in high need areas known as enterprise zones. Qualified companies that establish themselves in enterprise zones receive certain state and county tax benefits. Your Committee believes that expanding the eligible business activities that would qualify for enterprise zone benefits will attract investment, create high-skilled jobs, and diversify Hawaii's economy consistent with the State's economic and workforce development goals.

Your Committee has amended this measure by:

- (1) Deleting language that would have authorized enterprise zone designation for certain census tracts;
- (2) Deleting language that would have allowed businesses not established in an enterprise zone to qualify for enterprise zone benefits;
- (3) Amending the definition of "eligible business activity" to expand the activities that a business may conduct to be designated as a qualified business and qualify for enterprise zone benefits;
- (4) Adding a definition for "Hawaii food and product innovation network";
- (5) Amending the definition of "medical and health care services";
- (6) Reverting to existing statutory language that requires the Governor to approve the designation of up to six areas in each county as enterprise zones;
- (7) Authorizing the Department of Business, Economic Development, and Tourism to declare up to two areas in



the State to be designated as enterprise zones, subject to the Governor's approval;

- (8) Amending its preamble;
- (9) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (10) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2141, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2141, H.D. 1, and be referred to your Committee on Higher Education.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Technology,



GREGGOR ILAGAN, Chair



