

Honolulu, Hawaii

FEB 20 , 2026

RE: H.B. No. 2141
H.D. 2

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

Madame:

Your Committee on Higher Education, to which was referred
H.B. No. 2141, H.D. 1, 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) Expand the activities that would be considered an "eligible business activity" for businesses within an enterprise zone to qualify for enterprise zone benefits; and
- (2) Authorize the Department of Business, Economic Development, and Tourism to declare up to two areas in the State to be designated as an enterprise zone; subject to the Governor's approval.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Agribusiness Development Corporation; County of Hawai'i Department of Research and Development; Oceanit Laboratories, Inc.; Hawaii Food Industry Association; Maui Chamber of Commerce; and one individual. Your Committee received comments on this measure from the Hawai'i Community Development Authority; Pacific Rim Land, Inc.; and Tax Foundation of Hawaii.



Your Committee finds that enterprise zones have been an effective tool for encouraging business investment and job creation. Your Committee further finds that the University of Hawaii John A. Burns School of Medicine and the University of Hawaii Cancer Center are vital components of Hawaii's economy and attract investment, talent, and science-based industries. By authorizing enterprise zone designation for census tracts that include the University of Hawaii John A. Burns School of Medicine and the University of Hawaii Cancer Center, this aligns state economic policy with where innovation is already occurring.

Accordingly, your Committee has amended this measure by:

- (1) Deleting the contents of the measure and reverting back to the measure as it was introduced, which:
 - (A) Increases the number of enterprise zones that may be nominated by each county;
 - (B) Authorizes 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
 - (C) Allows 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; and
- (2) Changing the effective date to July 1, 3000, to encourage further discussion.

As affirmed by the record of votes of the members of your Committee on Higher Education that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2141, H.D. 1, as amended herein, and recommends that it be referred to your Committee on Finance in the form attached hereto as H.B. No. 2141, H.D. 2.



Respectfully submitted on
behalf of the members of the
Committee on Higher Education,



ANDREW TAKUYA GARRETT, Chair



