

Honolulu, Hawaii

APR 09 , 2026

RE: S.B. No. 2816
S.D. 1
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 Finance, to which was referred S.B. No. 2816, S.D. 1, 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 definition of "eligible business activity" for the purposes of the Enterprise Zones Program to include research, development, sale, or production of medical and health care services, research and development of aerospace technology, and information technology design and production services;
- (2) Authorize the Department of Business, Economic Development, and Tourism to declare up to two census tracts in the State that contain an innovation enterprise to be designated as an enterprise zone, subject to the Governor's approval; and
- (3) Require the Department of Business, Economic Development, and Tourism to conduct an in-house comprehensive review, in consultation with the



Department of Taxation, of the State Enterprise Zones Program and report its findings to the Legislature.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development and Tourism; Business Development and Support Division of the Department of Business, Economic Development and Tourism; Hawai'i Community Development Authority; Chamber of Commerce Hawaii; Maui Chamber of Commerce; Hawaii Medical Association; Hawaii Food Industry Association; Land Use Research Foundation of Hawaii; and two individuals. Your Committee received comments on this measure from the Department of Taxation and Tax Foundation of Hawaii.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2816, S.D. 1, H.D. 1, and recommends that it pass Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Finance,



CHRIS TODD, Chair



