

STAND. COM. REP. NO. 2899

Honolulu, Hawaii

MAR 06 2026

RE: S.B. No. 2816
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2816, S.D. 1, 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 promote the development of innovative industries in the State.

More specifically, this measure:

- (1) Expands the definition of "eligible business activity" under the State Enterprise Zones Program to include certain research and development activities and information technology design and production services;
- (2) Authorizes 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;
- (3) Requires 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 established under chapter 209E, Hawaii Revised Statutes; and



(4) Requires a report to the Legislature.

Your Committee received written comments 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; Hawaii Technology Development Corporation; Chamber of Commerce Hawaii; Pacific Rim Land, Inc.; and one individual.

Your Committee received written comments on this measure from the Department of Taxation.

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 areas where they are needed the most. Qualified companies that establish themselves in enterprise zones receive benefits that include state tax credits and tax waivers, as well as additional incentives provided by the counties. Your Committee also finds that incentivizing private-sector investment through enterprise zone designation could be used to accelerate clinical research and trials, medical device development, and the commercialization of new treatments and technologies. Your Committee further finds that supporting economic activity around innovative sectors will attract investment, create high-skilled jobs, and diversify Hawaii's economy consistent with the State's economic and workforce development goals.

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

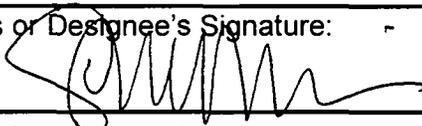
Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2816, SD1	EDT/EDU, WAM	03/04/2020		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input checked="" type="checkbox"/> Pass, unamended 2312 <input type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
MORIWAKI, Sharon Y. (VC)	X			
DECOITE, Lynn	X			
ELEFANTE, Brandon J.C.	X			
HASHIMOTO, Troy N.	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
RICHARDS, III, Herbert M. "Tim"	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
TOTAL	13	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink File with Committee Report Committee Drafting Agency				

*Only one measure per Record of Votes