



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKAI

**BUSINESS DEVELOPMENT AND SUPPORT DIVISION**

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Statement of  
**DENNIS T. LING**  
Administrator

Business Development and Support Division  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON  
HIGHER EDUCATION**

Wednesday, February 18, 2026  
2:00 PM  
State Capitol, Conference Room 309

In consideration of  
**HB2141 HD1**  
**RELATING TO STATE ENTERPRISE ZONES.**

Chair Garrett, Vice Chair Amato and members of the Committee. The Business Development and Support Division (BDSD) of the Department of Business, Economic Development and Tourism (DBEDT) offers comments on **HB2141 HD1** which expands the activities that would be considered an "eligible business activity" for businesses within an enterprise zone to qualify for enterprise zone benefits. This Measure also authorizes DBEDT to declare up to two areas in the State to be designated as an enterprise zone, subject to the Governor's approval.

BDSD acknowledges that as Hawaii's demographics change and census tracts become eligible for the Enterprise Zones program, there is value in granting DBEDT and State government greater flexibility in designating areas within the State as enterprise zones. Consideration should be given to Country government and the designation approval of enterprise zones as they offer additional, local benefits to eligible businesses within the enterprise zones they nominate.

Expanding the definition of eligible business activity to include the entities whose primary business is research, development, testing, production or commercialization related to the Hawaii Food and Product Innovation Network, Medical and Health Care Services, Research and Development of Aerospace Technology, and Information Technology Design and Production reflects the evolution of economic development in Hawaii. Expanding the definition may facilitate growth in these industries, align with State objectives and promote economic diversity and stability.

This bill, after amendments made by the House Committee on Economic Development and Technology, does not include Enterprise Zone Program eligibility for “Affiliated Collaborators” of the University of Hawaii John A. Burns School of Medicine (JABSOM) and the University of Hawaii Cancer Center (UHCC). This should be noted as it was a large component of HB2141 and consideration given to including Affiliated Collaborators of JABSOM and UHCC as eligible for program.

DBEDT respectfully defers to the State Department of Taxation for revenue implications, compliance, and administrative procedures.

Thank you for the opportunity to testify.

JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



WENDY GADY  
EXECUTIVE DIRECTOR

STATE OF HAWAII  
**AGRIBUSINESS DEVELOPMENT CORPORATION**  
HUI HO'OULU AINA MAHIAI

TESTIMONY OF WENDY L. GADY  
EXECUTIVE DIRECTOR  
AGRIBUSINESS DEVELOPMENT CORPORATION

BEFORE THE HOUSE COMMITTEE ON HIGHER EDUCATION

February 18, 2026  
2:00 p.m.  
Conference Room 309 & Videoconference

HOUSE BILL NO. 2141, HD1  
RELATED TO STSTE ENTERPRISE ZONES

Chairpersons Garrett, Vice Chairs Amato, and Members of the Committee:

Thank you for the opportunity to submit testimony in support of HB2141,HD1, which proposes to expand the definition of “eligible business activity” for the State’s Enterprise Zones Program and authorizes the Department of Business, Economic Development, and Tourism to designate up to two additional areas as Enterprise Zones, subject to gubernatorial approval.

**Background:**

The Enterprise Zones (EZ) Partnership Program is a long-standing state initiative designed to stimulate economic activity, job retention, and job creation in targeted areas of Hawai'i. By providing state and county tax benefits to participating businesses located within designated census tracts, the program encourages strategic investment in communities that need it most.

**Purpose of HB2141, HD1:**

HB2141,HD1, modernizes and strengthens this crucial economic development tool by:

1. Including the Hawaii food and product innovation network to Enterprise Zones, to strengthen Hawaii's ability in developing and coordinating performance-driven food and product innovation system for Hawaii; and
2. Expanding the list of eligible business activities that qualify for Enterprise Zone benefits; and
3. Allowing the designation of two additional Enterprise Zones by the Department of Business, Economic Development, and Tourism, with the Governor's approval.

**Why Support HB2141,HD1:**

- **Encourages Broader Economic Participation:** The bill updates eligibility criteria to reflect evolving economic models and emerging sectors. This allows more local businesses — including those engaged in contemporary modes of production, value-added activities, and tech-driven sectors — to qualify for incentives, broadening the reach of the program.
- **Stimulates Job Creation and Retention:** By expanding eligible activities, HB2141,HD1, enhances the ability of local businesses to grow, hire more employees, and sustain operations in areas that historically face higher unemployment or limited investment. Enterprise Zone incentives are structured to reward job retention and new employment tied to eligible activities, generating measurable outcomes in local labor markets.
- **Supports Community Revitalization:** Enterprise Zones are intended to focus on economic benefits in areas that meet income and unemployment criteria. Expanding both eligibility and zone designation supports revitalization efforts in underserved communities, helps diversify local industry, and strengthens the resilience of Hawai'i's economy.
- **Aligns with State Economic Development Goals:** HB2141,HD1, is consistent with broader efforts to diversify Hawai'i's economic base, attract investment, and create pathways for businesses to thrive under Hawai'i's tax incentive framework. By modernizing statutory definitions, the bill

ensures the EZ program remains relevant and effective in today's marketplace.

- **Advances the State's goal to diversify Hawaii's economy:** By strengthening food safety coordination, processing capacity, and market access so local producers can reliably meet institutional procurement needs, including public school meal programs and potential export markets.

**Conclusion:**

For these reasons, I respectfully urge this committee to support HB2141,HD1, so that Hawai'i can build on the historic success of the Enterprise Zones program and bring meaningful economic benefit to more businesses, workers, and communities statewide.

Mahalo for the opportunity to provide testimony.

C. Kimo Alameda, Ph.D.  
*Mayor*



Benson Medina  
*Director*

William V. Brillhante, Jr.  
*Managing Director*

Dennis Lin  
*Deputy Director*

**DEPARTMENT OF RESEARCH AND DEVELOPMENT**

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February 18, 2026

**TESTIMONY IN SUPPORT**

HEARING BEFORE THE  
HOUSE COMMITTEE ON HIGHER EDUCATION

Wednesday, February 18, 2026  
2:00pm  
CONFERENCE ROOM 309

TESTIMONY ON HB 2141 HD1 Relating to State Enterprise Zones

Dear Chair Garrett, Vice Chair Amato, and Committee Members,

My name is Benson Medina, Director of the County of Hawaii, Department of Research and Development. Our Department is committed to fostering a stronger, more resilient, and culturally rooted future for our island community. Our programs cover Business and Industry Development, Agriculture and Food Systems, Regenerative Tourism, Film and Creative Media, Community Well-being, and Workforce Development.

Our Department is in **SUPPORT for HB2141 HD1**, which increases the number of enterprise zones that may be nominated by each county and expands the eligible activities to include aerospace technology, information technology design and production services.

We are appreciative of the additional activity of **Hawaii food and product innovation network** to the list of eligible business activities.

We have seen successful utilization of the State's Enterprise Zone program with 104 businesses graduating from the program and 31 currently enrolled.

We appreciate the introducers for the thoughtful additions to the program and look forward to this bill's positive impact on our economy.

We thank you for your consideration of HB2141 HD1 and ask for your support in advancing this bill.

Sincerely,

Benson Medina,  
Director, Department of Research and Development



Written Statement of  
**DR. PATRICK SULLIVAN**  
**CEO, OCEANIT**

Before the  
**HOUSE COMMITTEE ON HIGHER EDUCATION**

Wednesday, February 18, 2026  
2:00 p.m.  
State Capitol, Conference Room 309 and Videoconference

In Support of  
**HB2141, HD1 RELATING TO STATE ENTERPRISE ZONES**

To: Chair Representative Andrew Takuya Garrett, Vice Chair Representative Terez Amato, and Members of the Committee

From: Dr. Patrick Sullivan, CEO

Re: Testimony in Support of HB2141, HD1

Chair Garrett, Vice Chair Amato and Members of the Committee:

Oceanit Laboratories, Inc. respectfully submits this testimony in support of HB 2141, HD1. This measure would strengthen Hawai'i's enterprise zone program, providing targeted incentives for businesses that create jobs and invest in underserved areas of our state.

As a Hawai'i-based technology and innovation company that has operated here for 40 years, we understand the importance of state policies that encourage business investment and job creation. Enterprise zones have been an effective tool in states across the country, and modernizing Hawai'i's program will help attract and retain the types of businesses that offer high-wage employment opportunities for our residents.

UHERO's recent report, "Beyond the Price of Paradise," documents that Hawai'i has experienced 23 of 25 years of net outmigration and that our cost-of-living-adjusted wages rank 43rd nationally. Enterprise zones that incentivize job creation in targeted sectors can help address these challenges by providing pathways to quality employment for local residents.

We would also support efforts to ensure that qualifying business activities are clearly defined to focus incentives on sectors with the greatest potential for economic impact.

We respectfully urge the Committee to pass HB 2141, HD1.



February 14, 2026

House Committee on Higher Education

TESTIMONY ON HB2141 HD1  
Relating to State Enterprise Zones

By

Ryan Churchill

President

Pacific Rim Land, Inc.

1300 North Holopono Street

Kihei, Hawaii 96753

Dear Chair Takuya Garrett, Vice Chair Amato, and Members of the Committee.

**BACKGROUND.** Līpoa, formerly known as the Maui Research & Technology Park, is a master-planned community built around innovation that responds to Maui's pursuit of a diversified economic future. A locally owned entity, Pacific Rim Land has been steadfast partner in Līpoa's 38-year journey, taking on full ownership of its future development in 2019.

Today, the uniquely designed 400-acre LĪPOA is now the venue for research and development aerospace, information technology, high performance computing, disaster mitigation and management and more. Nearly 800 residents work as contractors, specialists, entrepreneurs, academics, and service providers. Hundreds more converge regularly for meetings to collaborate on innovative world-class solutions.

**REQUESTED AMENDMENTS.** As HB2141 HD1 is currently drafted, the existing enterprise zone (EZ) census tract boundary **cuts through the center of Līpoa rendering the section north of Līpoa Parkway eligible for Enterprise Zone benefits and the section south of Līpoa Parkway not eligible for those benefits.**

The section south of Līpoa Parkway includes the Maui high-performance computing center, the state's Maui Research & Technology Center incubator, and the new home for Space Force. Given these anchor operations, we anticipate and have planned for continued growth in the southern portion of Līpoa for businesses engaged in complementary innovation activities.

To better meet the intent of this bill, we request that the measure be amended to

- Create a new statutory category of "innovation centers"
- Allow the Governor, upon recommendation of the DBEDT Director, to directly designate census tracts containing qualifying innovation centers as Enterprise Zones.

This approach would allow the census tract which contains an innovation center in the form of the Maui R & T Center (which is an innovation center) to qualify as an Enterprise Zone, thereby encompassing the entirety of the southern section of Līpoa.

SUPPORT OF CLASSIFICATIONS. We also support the inclusion of the two additional classifications necessary for Līpoa to qualify for enterprise zone benefits:

1. research and development of aerospace technology, and
2. information technology design and production services.

These categories would ensure that Lipoa's recent expansion into space-related initiatives has a clear statutory pathway to eligibility, supporting continued growth and innovation in this sector.

Thank you for the opportunity to provide testimony and for your thoughtful consideration of these requested amendments.



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**Executive Officers**

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**Eddie Asato**, Pint Size Hawaii, *Advisor*  
**Gary Okimoto**, Safeway, *Advisor*  
**Maile Miyashiro**, C&S Wholesale, *Immediate Past Chair*

TO: Committee on Higher Education  
FROM: HAWAII FOOD INDUSTRY ASSOCIATION  
Lauren Zirbel, Executive Director

DATE: February 18, 2026

TIME: 2pm

RE: HB2141 Relating to State Enterprise Zones  
Position: Support

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, manufacturers and distributors of food and beverage related products in the State of Hawaii.

HFIA is in support of this measure to expand the activities that would be considered an eligible business activity within an enterprise zone; and 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.

As the measure notes, 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.

Hawaii is one of the most challenging states in which to do business for a range of reasons. We believe this program can help alleviate some of those challenges for businesses that are able to utilize it, and also stimulate economic growth in areas where it can have maximum positive impact. We encourage the committee to pass this measure and we thank you for the opportunity to testify.

# TAX FOUNDATION OF HAWAII

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735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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SUBJECT: INCOME, GENERAL EXCISE, UNEMPLOYMENT, Add to eligible Enterprise Zones including collaborators with John A. Burns School of Medicine

BILL NUMBER: HB 2141 HD1

INTRODUCED BY: ECD

EXECUTIVE SUMMARY: Expands the activities that would be considered an "eligible business activity" for businesses within an enterprise zone to qualify for enterprise zone benefits. Authorizes 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. Effective 7/1/3000. (HD1).

SYNOPSIS: Amends section 209E-2, HRS, to add a definition of "Hawaii food and product innovation network" as an entity engaged in research, development, testing, production, or commercialization of proprietary or novel food products, including food processing technologies, value-added food products derived from local agricultural crops, and food science and nutrition research with commercial applications; provided that the entity's primary business activity involves such research, development, testing, production, or commercialization." ,Also adds the following as eligible business activities:

- Hawaii food and product innovation network,
- Medical and health care services;
- Research and development of aerospace technology; or
- Information technology design and production services

Amends the "Medical and health care services" definition to research, development, testing, manufacturing, or commercialization activities in biotechnology, pharmaceuticals, pharmacology, medical devices, digital health and health,information technology, clinical and translational research services, and diagnostic laboratory services. Excludes routine clinical care, primary care physician services, urgent care operations, or other health care delivery services that do not involve the research, development, testing, manufacturing, or commercialization of new products, technologies, or processes."

Amends section 209E-4, HRS, to allow DBEDT to designate up to two areas in the State as enterprise zones, subject to the governor's approval.

EFFECTIVE DATE: July 1, 3000.

STAFF COMMENTS: The enterprise zone program was enacted as a cooperative program between the state and the counties to promote jobs in areas of high unemployment. Certain areas

are designated as enterprise zones through joint action of the state and counties. In a zone, the state offers an income tax credit for the tax attributable to the eligible business conducted in the zone, which is normally applied on a sliding scale – 80% for the first year, 70% for the second, and so on until the credit is 20% for the seventh and last year in the program (under current law). It also offers an unemployment tax credit for the tax attributable to employees doing the eligible business in the zone, on the same sliding scale. Finally, the state offers a general excise tax exemption for the eligible business attributed to the zone. The counties also offer incentives, which vary by county. In return, the business commits to either maintain or increase the number of employees in the zone doing the eligible activity, depending on whether it was already in the zone upon designation or moved to the zone.

As business incentives go, the enterprise zone program is better than most. The incentive applies to a specific activity (here, creating and maintaining employment) targeted to the problem the program seeks to address. The incentive tapers off over time and then stops. It requires accountability, namely required reports to DBEDT for a business to retain its eligibility. The business itself may need a different kind of assistance, such as financing, but the state is here focusing on creating and maintaining jobs in areas that need them.

One criticism of the program is that the designated eligible activities do not seem to have a common thread running through them except that the various activities seem to have been the Flavor of the Month at one time or another. Eligible activities at present are:

- Agricultural production or processing
- Manufacturing
- Wholesaling/Distribution
- Aviation or maritime repair or maintenance
- Telecommunications switching and delivery systems
- Information technology design and production
- Medical research, clinical trials, and telemedicine
- For-profit training programs in international business management or environmental remediation
- Biotechnology research, development, production, or sales
- Repair or maintenance of assisted technology equipment
- Certain types of call centers
- Wind energy producers

The enterprise zone program has been around since 1986. Has there been a comprehensive evaluation of the program and do lawmakers know exactly how much bang they have gotten for their bucks? If the program works, great; if it doesn't work, scrap it. In either event, concurrent

Re: HB 2141 HD1

Page 3

efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

Digested: 2/15/2026



**HAWAII COMMUNITY  
DEVELOPMENT AUTHORITY**

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JOSH GREEN, M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR

STERLING HIGA  
CHAIRPERSON

CRAIG K. NAKAMOTO  
EXECUTIVE DIRECTOR

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Statement of  
**CRAIG K. NAKAMOTO**  
**Executive Director**  
Hawai'i Community Development Authority  
before the  
**HOUSE COMMITTEE ON HIGHER EDUCATION**

Wednesday, February 18, 2026  
2:00 p.m.  
State Capitol, Conference Room 309 & Videoconference

In consideration of  
**HB 2141, HD1**  
**RELATING TO STATE ENTERPRISE ZONES.**

Chairperson Garrett, Vice Chairperson Amato, and members of the Committee.

The Hawai'i Community Development Authority (HCDA) provides **comments** on HB 2141, HD1.

Generally, enterprise zones are targeted areas where incentives are offered to attract businesses and stimulate economic development. HCDA supports this concept.

However, we respectfully suggest that the language in the original version of the bill be restored. The original version had the most direct nexus to the intended economic development outcomes and the broader health and innovation ecosystem being contemplated, particularly with the ties to the John A. Burns School of Medicine and the University of Hawaii Cancer Center. Both institutions are located in the Makai area of HCDA's Kakaako community development district. Economic and business development in the Makai area will benefit both institutions, the area, and the State.

Thank you for the opportunity to provide testimony.



**MAUI**  
CHAMBER OF COMMERCE  
VOICE OF BUSINESS

**LATE**

**HEARING BEFORE THE HOUSE COMMITTEE ON HIGHER EDUCATION  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 309  
WEDNESDAY, FEBRUARY 18, 2026 AT 2:00 P.M.**

To The Honorable Representative Andrew Takuya Garrett, Chair  
The Honorable Representative Terez Amato, Vice Chair  
Members of the Committee on Higher Education

**SUPPORT FOR HB2141 HD1 RELATING TO STATE ENTERPRISE ZONES**

The Maui Chamber of Commerce supports HB2141 HD1, which expands the definition of "eligible business activity" within enterprise zones and authorizes the designation of additional enterprise zones, directly aligns with our mission to support a robust and diversified local economy—particularly as Maui and other communities continue to recover from recent economic setbacks.

Expanding the range of eligible activities within enterprise zones can help attract a broader spectrum of industries, including those in technology, manufacturing, creative sectors, and value-added agriculture. By doing so, the bill encourages investment and entrepreneurship beyond traditional sectors, contributing to a more resilient economic base. This diversification is crucial for reducing reliance on any single industry and for creating sustainable job opportunities for residents.

Allowing the Department of Business, Economic Development, and Tourism to designate up to two new enterprise zones, with the Governor's approval, provides a targeted tool to stimulate economic activity in areas most in need. This flexibility can help address persistent challenges faced by businesses by offering incentives that make it easier for them to start, grow, and hire locally.

Mahalo for the opportunity to share our support of HB2141 HD1.

Sincerely,

Pamela Tumpap  
President

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics.

**HB-2141-HD-1**

Submitted on: 2/16/2026 8:33:07 AM

Testimony for HED on 2/18/2026 2:00:00 PM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

SUPPORT