



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**JAMES KUNANE TOKIOKA**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

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Statement of  
**GEORJA SKINNER**  
**Administrator, Creative Industries Division**  
Department of Business, Economic Development, and Tourism  
before the  
**HOUSE COMMITTEE ON FINANCE**

Wednesday, March 4, 2026  
10:00 AM  
State Capitol, Conference Room 308

In consideration of  
**HB2201 HD1**  
**RELATING TO STATE ENTERPRISE ZONES**

Chair Todd, Vice Chair Takenouchi and members of the Committee.

The Creative Industries Division (CID) of the Department of Business, Economic Development and Tourism (DBEDT) supports HB2201, HD1 which amends the definition of “eligible business activity” for the State Enterprise Zone (EZ) program to include film production and recycling programs as allowable activities, expanding that state’s enterprise zones that may be designated in each county from six (6) to eight (8).

CID supports the importance of the inclusion of these sectors, and film in particular. This expansion affirms a shared commitment across government sectors to strengthening opportunities for film as an economic driver. The need for infrastructure, talent and crew development and production-related business support can benefit from the EZ program, layering this opportunity for businesses to invest in the state and its film industry ecosystem development.

Film production is a maturing sector of Hawai'i's economy, generating significant economic activity, supporting local crews, vendors, and businesses across the State. Hawai'i's growing film industry requires significant infrastructure development in order to reach its full potential and meet the needs of a fast-paced industry. Incentives through the EZ program that are specific to film production and film studio development will attract new production business to the Islands and offset the higher costs unique to our island economy as well as contribute to the State's overall economic stability and diversity.

Thank you for the opportunity to testify.



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

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKA'I

**BUSINESS DEVELOPMENT AND SUPPORT DIVISION**

**JOSH GREEN, M.D.**  
GOVERNOR

**SYLVIA LUKE**  
LT. GOVERNOR

**JAMES KUNANE TOKIOKA**  
DIRECTOR

**DANE K. WICKER**  
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**DENNIS T. LING**  
ADMINISTRATOR

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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  
FINANCE**

Wednesday, March 4, 2026  
10:00 AM  
State Capitol, Conference Room 308

In consideration of  
**HB2201, HD1**  
**RELATING TO STATE ENTERPRISE ZONES.**

Chair Todd, Vice Chair Takenouchi and members of the Committee. The Business Development and Support Division (BDSD) of the Department of Business, Economic Development and Tourism (DBEDT) supports **HB2201, HD1** and offers comments on this bill which amends the definition of "eligible business activity" for enterprise zone program to include recycling facilities and film production. This bill also seeks to increase the number of enterprise zones that may be nominated by each county from six (6) to eight (8).

BDSD agrees that recycling and film production are vital and growing sectors of Hawaii's Economy. Offering support to these sectors through the incentives offered by the Enterprise Zones program, fosters business growth and contributes to the State's overall economic stability and diversity.

BDSD acknowledges that as Hawaii's demographics change and census tracts become eligible for the Enterprise Zones program, there is value in granting state and county government greater flexibility in designating Enterprise Zones.

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

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, Increases Number of Enterprise Zones and Adds Recycling and Film Production as Qualified Activities

BILL NUMBER: HB 2201 HD1

INTRODUCED BY: ECD

EXECUTIVE SUMMARY: Increases the number of enterprise zones that may be nominated by each county. Amends the definition of "eligible business activity" to include recycling facilities and film production.

SYNOPSIS: Amends section 209E-2, HRS, to add the following as eligible business activities:

- Operation of a recycling facility, as defined in section 342G-101, HRS; or
- Film production or operation of a film studio.

Amends section 209E-4, HRS, to allow up to eight areas in each county as enterprise zones, up from six.

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. 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 other. 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; extend the tax benefits; if it doesn't work, scrap it. In either event, concurrent efforts must be made to improve Hawaii's business climate to enhance the economic prospects for all businesses.

Digested: 3/2/2026

**HB-2201-HD-1**

Submitted on: 3/2/2026 11:45:00 AM

Testimony for FIN on 3/4/2026 10:00:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Genaro Hale Gualdarama	Hawaii Teamsters Local 996	Support	Written Testimony Only

Comments:

In support of bill HB2201.



# MAUI

CHAMBER OF COMMERCE

VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE  
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308  
WEDNESDAY, MARCH 4, 2026 AT 10:00 A.M.**

To The Honorable Representative Chris Todd, Chair  
The Honorable Representative Jenna Takenouchi, Vice Chair  
Members of the Committee on Finance

## **SUPPORT FOR HB2201 HD1 RELATING TO STATE ENTERPRISE ZONES**

The Maui Chamber of Commerce supports HB2201 HD1 as it expands the scope and reach of the State's enterprise zone program, a proven tool for stimulating local economies, encouraging investment, and supporting industries critical to long-term resilience.

By increasing the number of enterprise zones each county may nominate, the bill enables more communities, including those on the neighbor islands, to benefit from targeted incentives. This flexibility is particularly timely for areas like Maui, where businesses continue to face challenges related to disaster recovery, workforce shortages, and broader economic uncertainty. Expanding enterprise zone access can help attract new investment, support job creation, and provide much-needed relief to struggling sectors.

The inclusion of recycling facilities and film production in the definition of "eligible business activity" aligns with our commitment to economic diversification. Supporting recycling facilities advances sustainability goals, encourages innovation, and creates green jobs. Similarly, recognizing film production as an eligible activity leverages Hawai'i's unique cultural and natural assets, potentially attracting outside investment and building a creative industry ecosystem that benefits local talent and businesses.

Mahalo for the opportunity to share our support of HB220 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.



# HONOLULU CITY COUNCIL

*KE KANIHELA O KE KALANA O HONOLULU*

530 S. KING ST. STE. 202, HONOLULU, HI 96813

**ANDRIA TUPOLA**  
HONOLULU CITY COUNCIL  
DISTRICT 1  
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March 2, 2026

**TO:** Committee on Finance

**RE:** HB2201, HD1 – RELATING TO STATE ENTERPRISE ZONES  
TESTIMONY IN STRONG SUPPORT WITH PROPOSED AMENDMENT

Chair Todd, Vice Chair Takenouchi, and Members of the Committee on Finance:

Thank you for the opportunity to submit testimony in strong support of HB2201, HD1. These updates will help stimulate investment, create jobs, and expand economic opportunities in communities that need them most.

**While I strongly support HB2201, HD1, I respectfully request that the Committee consider further broadening the definition of “eligible business activity” to include outdoor recreation and related service industries that promote public safety, workforce development, education, and community-based economic activity.** Hawaii’s economy increasingly benefits from diversified recreation, experiential services, and community-based enterprises that:

- Support local job creation in rural and underutilized areas;
- Provide structured, safety-focused services;
- Offer training and workforce development pathways;
- Attract both residents and visitors; and
- Contribute to responsible, regulated economic activity.

By incorporating a broader category of outdoor recreation and related service industries, the Legislature can ensure that the Enterprise Zone Program remains adaptable, future-oriented, and reflective of Hawaii’s evolving economic landscape — without limiting eligibility to traditional sectors alone. This clarification would complement the improvements already made in the HD1 and further strengthen the measure’s economic development impact across our counties.

I respectfully urge the Committee to pass HB2201 and to consider this additional clarification to further strengthen the measure. Thank you for your leadership and consideration.

Mahalo,

A handwritten signature in black ink, appearing to read "A. Tupola". The signature is fluid and cursive, written in a professional style.

Andria Tupola, Ph.D.  
Honolulu City Councilmember, District 1  
‘Ēwa Beach, Kapolei, Nānākuli, Wai‘anae



March 2, 2026

The Honorable Chris Todd, Chair  
The Honorable Jenna Takenouchi, Vice Chair  
and Members of the Committee on Finance

Subject: Testimony: HB2201, HD1 Relating to State Enterprise Zones  
Hearing: March 4, 2026 at 10:00 AM, Conference Room 308

Dear Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

Legacy Ventures supports HB2201, HD1 and respectfully requests amendments to strengthen its impact.

HB2201, HD1 expands the number of enterprise zones (EZs) that may be nominated by each county and broadens the definition of “eligible business activity.” The Enterprise Zone program has proven to be one of the State’s most cost-effective economic development tools.

The COVID-19 pandemic underscored the risks associated with economic overconcentration in a single industry. Regions with diversified economic bases recovered more quickly and demonstrated greater resilience. Enterprise Zones provide the State with a strategic mechanism to promote diversification, support emerging industries, and stimulate investment in areas that have experienced prolonged economic stagnation.

Since the closure of Barbers Point Naval Air Station in 1999, Kalaeloa is one such investment area of limited economic activity. Redevelopment has progressed more slowly than originally envisioned. To accelerate meaningful reinvestment, we respectfully request that the definition of “eligible business activity” be amended to include ***“Outdoor recreation and related services that strengthen public safety, invest in workforce skills, promote education, and stimulate economic growth.”***

This amendment aligns with the core purpose of the Enterprise Zone program—to catalyze private investment, create quality jobs, and expand economic opportunity in underutilized regions. For these reasons, Legacy Ventures respectfully requests passage of HB2201, HD1 with amendments.

Mahalo for the opportunity to testify.



Pamela Witty-Oakland

**HB-2201-HD-1**

Submitted on: 3/2/2026 7:18:15 PM

Testimony for FIN on 3/4/2026 10:00:00 AM

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

Comments:

SUPPORT!!!

Mahalo!