

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKA'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
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON FINANCE

Thursday, April 2, 2026
2:00 PM
State Capitol, Conference Room 308

In consideration of
SB 2816, SD1, HD1
RELATING TO STATE ENTERPRISE ZONES

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

The Department of Business, Economic Development and Tourism (DBEDT) **supports** SB 2816, SD1, HD1, which strengthens and modernizes Hawai'i's State Enterprise Zones (EZ) program.

SB2816, SD1, HD1, inserts a new definition of "innovation enterprise," defined as an area located on state-owned property that is intended to support, or currently contains, businesses primarily engaged in biomedical or life sciences research, clinical trials, medical technology development, pharmaceutical manufacturing, aerospace research and development, space domain awareness, or information technology design and production services. This targeted definition ensures enterprise zone designation is aligned with strategic, innovation-driven industries that contribute to economic diversification, export growth, and high-wage job creation.

DBEDT's Economy for Resilience framework focuses on expanding tradable-sector and innovation-driven industries that can raise local wages, increase investment, and diversify Hawai'i's economic base. The strategy emphasizes leveraging and modernizing existing tools, including geographically targeted incentives such as enterprise zones, to better convert public investments in infrastructure, research capacity, and facilities into private-sector investment, startup formation, and sustained job growth.

Hawai'i continues to face structural cost pressures that affect business location and expansion decisions. In a high-cost environment, enterprise zones function as a targeted cost-reduction tool by offering tax credits and related incentives that can improve project feasibility, reduce early-stage operating burdens, and encourage firms to locate, expand, and hire in designated areas. When strategically aligned with state-owned properties that host innovation enterprises, these incentives can help anchor industry clusters and strengthen Hawai'i's competitive positioning.

The inclusion of aerospace research and development and information technology design and production services reflects Hawai'i's growing capabilities in dual-use technology, cybersecurity, space domain awareness, digital systems, and advanced computing. These sectors, along with biomedical and life sciences activities, are innovation-intensive and export-capable, making them well aligned with the State's long-term diversification goals.

DBEDT also supports the requirement in SB 2816, SD1, HD1, to conduct a comprehensive in-house review of the Enterprise Zones Program, in consultation with the Department of Taxation. This review will evaluate the program's economic impact, including jobs created and industries supported, assess whether existing zones continue to meet statutory eligibility criteria, and analyze revenues generated by participating companies. The reporting requirement will provide policymakers with updated, data-driven insight to inform future improvements to the program.

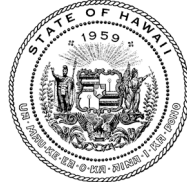
By authorizing the designation of up to two census tracts containing innovation enterprises located on state-owned property, SB 2816, SD1, HD1, provides a focused and flexible mechanism to align place-based incentives with strategic public investments in research infrastructure, advanced industry facilities, and emerging technology sectors.

For these reasons, DBEDT supports SB 2816, SD1, HD1.

Thank you for the opportunity to provide testimony.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
Ka 'Oihana 'Auhau
P.O. BOX 259
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PHONE NO: (808) 587-1540
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**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 2816, S.D.1, H.D.1, Relating to State Enterprise Zones

BEFORE THE:

House Committee on Finance

DATE: Thursday, April 2, 2026

TIME: 2:00 p.m.

LOCATION: State Capitol, Room 308

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

The Department of Taxation (DOTAX) offers the following comments regarding S.B. 2816, S.D.1, H.D.1, for your consideration.

Section 2 of S.B. 2816, S.D.1, H.D.1, amends section 209E-2, Hawaii Revised Statutes (HRS), by inserting a definition of "innovation enterprise" to mean "an area located on property owned by the State that is intended to support, or currently contains, businesses primarily engaged in biomedical or life sciences research, clinical trials, medical technology development, pharmaceutical manufacturing, aerospace technology research and development, space domain awareness, or information technology design and production services."

The bill also amends the definition of "eligible business activity" by (1) specifying that eligible business activity includes research, development, sale, or production of "[a]ll types" of medical, agricultural, or maritime biotechnology products (as opposed to only genetically-engineered medical, agricultural, or maritime biotechnology products); (2) adding research, development, sale or production of medical and health care services as an eligible business activity; (3) adding research and development of aerospace technology as an eligible business activity; and (4) adding information technology design and production services as an eligible business activity.

Section 3 of the bill amends section 209E-4, HRS, to authorize the Department of Business, Economic Development, and Tourism (DBEDT) to declare up to two census tracts in the State that contain an “innovation enterprise” to be designated as an enterprise zone (EZ), subject to the Governor’s approval.

Section 4 of S.B. 2816, S.D.1, H.D.1, directs DBEDT, in consultation with DOTAX, to conduct an in-house comprehensive review of the EZ Program and submit a report to the Legislature no later than 20 days prior to the Regular Session of 2027. The review shall include an evaluation of the economic impact of the program, including the number of jobs created and types of industries supported, an assessment of whether existing EZs continue to meet statutory eligibility criteria for designation, and revenues generated by participating companies for each county.

The bill has a defective effective date of July 1, 3000.

DOTAX notes that it can administer the changes to the scope of eligible business activity for purposes of the general excise tax exemption as proposed in this bill, but defers to DBEDT regarding the changes to the EZ Program and issuance of the Legislative report.

Thank you for the opportunity to provide comments on this measure.



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

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

BUSINESS DEVELOPMENT AND SUPPORT DIVISION

JOSH GREEN, M.D.
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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**

Thursday, April 2, 2026
2:00 PM
State Capitol, Conference Room 308

In consideration of
SB2816, SD1, HD1
RELATING TO STATE ENTERPRISE ZONES.

Chair Todd, Vice Chair Takenouchi and members of the Committee. The Business Development and Support Division (BDSB) of the Department of Business, Economic Development and Tourism (DBEDT) supports **SB2816, SD1, HD1** and offers the following comments on this bill which expands the definition of "eligible business activity" to include certain research and development activities and information technology design and production services. The measure also authorizes DBEDT to nominate 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. This bill also requires DBEDT to conduct an in-house comprehensive review, in consultation with the Department of Taxation, of the State Enterprise Zones Program.

Expanding the definition of eligible business activity to include medical and healthcare services, research and development activities of aerospace technology and information technology design and production services reflects the evolution of economic development in Hawaii. BDSB acknowledges that expanding the definition

may facilitate growth in these industries, aligning with State objectives and promoting economic diversity and stability. Under this measure, the definition of health care allows a spectrum of practices, including those that may be nonregulated or unlicensed. Delineated and specific program eligibility may help ensure that this measure is implemented as intended.

BDSB agrees 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 that contain innovation enterprises as enterprise zones. Consideration should be given to County government and the designation approval of enterprise zones as they offer additional, local benefits to eligible businesses within the enterprise zones they nominate. Additionally, BDSB would like to note that pursuant to 209E-4, Hawaii Revised Statutes, the Governor is allowed to designate six enterprise zones per county. As such, if a county should have six existing enterprise zones, DBEDT would not be able to nominate an additional area for enterprise zones designation, even if it contains an innovation enterprise.

BDSB recognizes the importance of conducting a comprehensive review of the Enterprise Zones Program to assess program performance and evaluate potential areas for improvement.

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

Thank you for the opportunity to testify.



**HAWAI'I COMMUNITY
DEVELOPMENT AUTHORITY**

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GOVERNOR

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STERLING HIGA
CHAIRPERSON

CRAIG K. NAKAMOTO
EXECUTIVE DIRECTOR

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

Thursday, April 2, 2026
2:00 p.m.
State Capitol, Conference Room 308 & Videoconference

In consideration of
S.B. 2816, S.D.1, H.D.1
RELATING TO STATE ENTERPRISE ZONES.

Chairperson Todd, Vice Chairperson Takenouchi, and members of the Committee. The Hawai'i Community Development Authority (HCDA) **supports S.B. 2816, S.D.1, H.D.1**, which expands the definition of "eligible business activity" within the State's enterprise zone program to include certain research and development activities.

This update is particularly important for Kaka'ako, where a growing innovation and life sciences cluster is emerging. By broadening eligibility, the measure helps align the enterprise zone program with modern economic drivers, including biotechnology, health sciences, and translational research.

HCDA is the planning and regulatory state agency for the Kaka'ako community development district (District). The John A. Burns School of Medicine (JABSOM) and the University of Hawai'i Cancer Center, which are in the makai area of the District, contribute to the community in the areas of medicine, science, clinical trials, and pharmaceutical research.

If this measure passes, this expansion creates new opportunities and possibilities for JABSOM and the Cancer Center to partner with private sector entities engaged in medical innovation. Incentivizing private sector investment through enterprise zones may accelerate clinical research, medical device development, and discovery of new treatment modalities that could help people in the state of Hawai'i and beyond.

Thank you for the opportunity to provide testimony in support.

**Testimony to the House Committee on Finance
Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair**

**Thursday, April 2, 2026, at 2:00PM
Conference Room 308 & Videoconference**

RE: SB2816 SD1 HD1 Relating to State Enterprise Zones

Aloha e Chair Todd, Vice Chair Takenouchi, and Members of the Committee:

My name is Sherry Menor, President and CEO of the Chamber of Commerce Hawaii ("The Chamber"). The Chamber supports Senate Bill 2816 Senate Draft 1 House Draft 1 (SB2816 SD1 HD1), which expands the definition of "eligible business activity" to include certain research and development activities and information technology design and production services. 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. Requires DBEDT to conduct an in-house comprehensive review, in consultation with the Department of Taxation, of the State Enterprise Zones Program established under chapter 209E, HRS. Requires a report to the Legislature.

SB2816 SD1 HD1 aligns with our 2030 Blueprint for Hawaii: An Economic Action Plan, specifically under the policy pillar for Small Business. This bill promotes small business ecosystem success by increasing the number of enterprise zones that may be nominated by each county, and therefore, expanding the number of businesses that may qualify for these tax benefits of the program. By allowing more businesses to qualify for these benefits, Hawaii can support industry diversification and improved economic resilience for the state.

Furthermore, the Chamber supports these benefits being extended to the companies that support the health of Hawaii's workforce. Improving community health means improving Hawaii's workforce participation. By supporting business development in the healthcare sector, Hawaii can help to lower the cost of healthcare, and therefore, improve cost of living and quality of life.

The Chamber of Commerce Hawaii is the state's leading business advocacy organization, dedicated to improving Hawaii's economy and securing Hawaii's future for growth and opportunity. Our mission is to foster a vibrant economic climate. As such, we support initiatives and policies that align with the 2030 Blueprint for Hawaii that create opportunities to strengthen overall competitiveness, improve the quantity and skills of available workforce, diversify the economy, and build greater local wealth.

We respectfully ask to pass Senate Bill 2816 Senate Draft 1 House Draft 1. Thank you for the opportunity to testify.



MAUI
CHAMBER OF COMMERCE
VOICE OF BUSINESS

**HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE
HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308
THURSDAY, APRIL 2, 2026 AT 2:00 P.M.**

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

SUPPORT FOR SB2816 SD1 RELATING TO STATE ENTERPRISE ZONES

The Maui Chamber of Commerce supports SB2816 SD1 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.

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 and 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 SB2816 SD1 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.



Hawaii Medical Association

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Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

HOUSE COMMITTEE ON FINANCE

Representative Chris Todd, Chair

Representative Jenna Takenouchi, Vice Chair

Date: April 2, 2026

From: Hawaii Medical Association (HMA)

Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee

Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

RE SB 2816 SD1 HD1 RELATING TO STATE ENTERPRISE ZONES. DBEDT; DOTax; Enterprise Zones; Eligible Business Activity; Innovation Enterprises; Comprehensive Review; Report

Position: Support

This measure would expand the definition of "eligible business activity" for the purposes of the Enterprise Zone Program to include certain research and development activities and information technology design and production services, 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, require DBEDT to conduct an in-house comprehensive review, in consultation with the Department of Taxation, of the State Enterprise Zones Program and requires a report to the Legislature. Effective 7/1/3000. (HD1)

HMA supports this measure. Innovative enterprises such as businesses that partner with research and medical institutions, including those connected to Hawaii's key health and research assets, can benefit from enterprise zone incentives. Additionally, a comprehensive review and report will further inform future policy decisions on the program, assessing growth in local economic activity, networks, and collaborations in our state.

HMA supports these efforts to expand the economic opportunity across our islands and encourage collaborations that strengthen Hawaii's healthcare innovation ecosystem.

Thank you for allowing the Hawaii Medical Association to testify in support of this measure.

2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

2026 Hawaii Medical Association Officers

Nadine Tenn-Salle, MD, President • Jerald Garcia, MD, President Elect • Elizabeth Ann Ignacio, MD, • Immediate Past President
Laeton Pang, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

REFERENCES AND QUICK LINKS

University of Hawaii. "JABSOM, UH Cancer Center Launch Coordination Effort." *University of Hawai'i News*, 16 Jan. 2026, hawaii.edu/news/2026/01/16/jabsom-cancer-center-coordination/. Accessed 15 Feb. 2026.

Maui Business and Community. "Hawaii Enterprise Zone Program." *Maui Business and Community Incentives*, mauibusiness.org/incentives. Accessed 15 Feb. 2026.

UH Office of Innovation and Commercialization. "University of Hawai'i at Mānoa Research & Innovation Data." *UH Office of Innovation and Commercialization*, hawaii.edu/ovppp/thirddecade/annex%20B-UHprograms.html. Accessed 15 Feb. 2026.

University of Hawaii. *Hawai'i Innovation Initiative (HI2)*, hawaii.edu/its/hawaii-innovation-initiative-hi2/. Accessed 15 Feb. 2026.

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, GENERAL EXCISE, UNEMPLOYMENT, Add to Eligible Enterprise Zones, Perform Comprehensive Review

BILL NUMBER: SB 2816 SD 1 HD 1

INTRODUCED BY: EDC

EXECUTIVE SUMMARY: Expands the definition of "eligible business activity" for the purposes of the Enterprise Zone Program to include certain research and development activities and information technology design and production services. 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. Requires DBEDT to conduct an in-house comprehensive review, in consultation with the Department of Taxation, of the State Enterprise Zones Program and requires a report to the Legislature. Effective 7/1/3000. (HD1)

SYNOPSIS: Amends section 209E-2, HRS, to add a definition of "innovation enterprise" as an area located on property owned by the State that is intended to support, or currently contains, businesses primarily engaged in biomedical or life sciences research, clinical trials, medical technology development, pharmaceutical manufacturing, aerospace technology research and development, space domain awareness, or information technology design and production services.

Also adds the following as eligible business activities:

- Production of all types of medical, agricultural, or maritime biotechnology products (not limited to genetically engineered products)
- Medical and health care services;
- Research and development of aerospace technology; or
- Information technology design and production services.

Amends section 209E-4, HRS, to allow DBEDT 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.

Requires DBEDT to conduct a comprehensive review of the enterprise zones program and report to the legislature before the 2027 regular session.

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: SB 2816 HD1
Page 3

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

Digested: 3/31/2026



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Executive Officers

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Gary Okimoto, Safeway, *Advisor*
Maile Miyashiro, C&S Wholesale, *Immediate Past Chair*

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

DATE: April 2, 2026
TIME: 2pm

RE: SB2816 SD1 HD1 Relating to 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.



April 1, 2026

Representative Chris Todd, Chair
Representative Jenna Takenouchi, Vice Chair
House Committee on Finance

Comments and Support for SB 2816, SD1, HD1, RELATING TO STATE ENTERPRISE ZONES (Expands the definition of "eligible business activity" for the purposes of the Enterprise Zone Program to include certain research and development activities and information technology design and production services. 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. Requires DBEDT to conduct an in-house comprehensive review, in consultation with the Department of Taxation, of the State Enterprise Zones Program and requires a report to the Legislature. Effective 7/1/3000. [HD1])

**Thursday, April 2, 2026, at 2:00 p.m.
State Capitol, Conference Room 308, & VIA VIDEOCONFERENCE**

The Land Use Research Foundation of Hawaii (LURF) is a private research and trade organization originally founded in 1979, whose members include major Hawaii landowners, developers, real estate investment trusts, utility companies, and land use professionals. LURF's mission is to research, educate, and advocate for reasonable, rational, and equitable land use planning, laws, and regulations that encourage well-planned and sustainable economic growth, agriculture, housing, renewable energy, commercial and industrial uses, health care, and tourism, while safeguarding Hawaii's significant natural, environmental, historic, and cultural resources, public health, and safety.

LURF is in **support of SB 2816, SD1, HD1**, particularly the portion that defines "eligible business activity" to include, "Research, development, sale, or production of all types of medical, agricultural, or maritime biotechnology products; and Medical and health care services." While LURF would prefer the original version of this measure as it relates to health care services, the current bill reflects the evolution of economic development in Hawai'i by modernizing the EZ Program to allow additional businesses, agricultural operations, and health care facilities to share their goods and services with the public and qualify for EZ benefits.

Based on the reasons stated above, LURF is in support of **SB 2816, SD1, HD1**, and respectfully requests your favorable consideration of this bill.

Thank you for the opportunity to provide comments in support of this measure.

SB-2816-HD-1

Submitted on: 3/31/2026 4:58:14 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Laeton J Pang	Individual	Support	Written Testimony Only

Comments:

I'm writing as a concerned physician to support SB 2816 to maximize the utilization of state-owned properties through the creation of innovation enterprises that support targeted industries and stimulate the surrounding census tracts by:

- (1) Expanding the definition of "eligible business activity" for the purposes of the enterprise zones program to include certain research and development activities and information technology design and production services;
- (2) Authorizing 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) Requiring 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 to the legislature.

According to its own report on economic zones, the legislature finds that incentivizing private-sector investment through enterprise zone designation will accelerate clinical research and trials, medical device development, and the commercialization of new treatments and technologies. Co-locating these activities alongside academic medicine, health systems, and technology incubation resources strengthens industry clustering, attracts investments and new business development, fosters high-wage job creation for local residents, and expands access to advanced clinical services for Hawaii patients. This growth will support the State's long-term economic diversification strategy by positioning Hawaii as a globally competitive health care technology hub and increasing export-oriented economic activity.

The legislature also 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.

Thank you for your consideration in this matter.

Laeton J Pang, MD, MPH, FACR, FACRO, FASTRO, FACCC

SB-2816-HD-1

Submitted on: 3/31/2026 8:18:35 PM

Testimony for FIN on 4/2/2026 2:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

STRONG SUPPORT!!! MAHALO!