



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

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

BUSINESS DEVELOPMENT AND SUPPORT DIVISION

JOSH GREEN, M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR

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DENNIS T. LING
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Statement of
Dennis T. Ling
Administrator

Business Development and Support Division
Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEE ON
ECONOMIC DEVELOPMENT AND TOURISM
AND
SENATE COMMITTEE ON
EDUCATION**

Tuesday, February 17, 2026
1:01 PM

State Capitol, Conference Room 229
In consideration of

**SB2816
RELATING TO STATE ENTERPRISE ZONES.**

Chairs Decoite and Kim, Vice Chairs Wakai and Kidani and members of the Committees. The Business Development and Support Division (BDSB) of the Department of Business, Economic Development and Tourism (DBEDT) supports **SB2816** and offers comments on this bill which increases the number of enterprise zones that may be nominated by each county. It additionally authorizes enterprise zone designation for census tracts that contain the University of Hawaii John A. Burns School of Medicine (JABSOM) and the University of Hawaii Cancer Center (UHCC). The measure further allows businesses not established in an enterprise zone to qualify for enterprise zone benefits; provided that they have entered into a binding collaboration or contract with a business that is established in the enterprise zone that contains JABSOM or UHCC. This bill also defines eligible business activity to include medical

and health care services, research and development of aerospace technology and information technology design and production services.

BDSB 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 more than six (6) enterprise zones per county.

BDSB agrees that JABSOM and UHCC are vital components of Hawaii's economy and attract investment, talent and science-based industries. Allowing the census tracts that contain JABSOM and UHCC to be eligible for enterprise zone designation may stimulate business activity and contribute to job growth in these areas.

Expanding the definition of eligible business activity to include "Affiliate collaborators" reflects the evolution of economic development and encourages public – private partnership. BDSB notes that the Enterprise Zones program's goal is to stimulate job growth and economic activity in underserved areas of the state. Consideration of allowing affiliate collaborators to access program benefits should be made to ensure that there is alignment with the program's intended focus.

BDSB further believes that expanding the program to include medical and health care services, research and development of aerospace technology and information technology design and production services fosters the growth of these sectors and contributes to the State's overall economic stability and diversity. 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 defers to the State Department of Taxation for revenue implications, compliance, and administrative issues, e.g., the state tax form N-756 Enterprise Zone Tax Credit would need to be modified.

Thank you for the opportunity to testify.

Written Statement of
Trung Lam, Executive Director

before the
Senate Committee of Economic Development and Tourism
and
Senate Committee on Education

Tuesday, February 17, 2026
1:02 pm
Conference Room 229 & Videoconference

In consideration of
SB 2816
RELATING TO STATE ENTERPRISE ZONES

Chairs Decoite and Kim, Vice Chairs Wakai and Kidani, and Members of the Committees.

HTDC is focused on advancing Hawai'i as a leading technology and innovation hub, particularly in priority sectors such as space, the blue economy, and health. SB2816 is important to that mission because it expands the enterprise zone program to include areas surrounding the University of Hawai'i John A. Burns School of Medicine and the University of Hawai'i Cancer Center. It also broadens eligibility to businesses that collaborate with entities located within these zones, strengthening the overall innovation ecosystem rather than limiting benefits to a single address.

The measure also supports state-run innovation centers by allowing them to qualify as enterprise zones. This creates a stronger alignment between physical infrastructure and economic development tools. By layering enterprise zone incentives with existing HTDC programs such as the SBIR matching program, the Manufacturing Assistance Program, and small business training, companies are better positioned to grow, hire locally, and commercialize new technologies in alignment with state strategic priorities.

A practical example is the Maui Research and Technology Center (MRTC), which is scheduled to lose its enterprise zone designation in March 2026 under current zoning definitions. SB2816 would allow MRTC to potentially retain that status. Losing the designation would make it more difficult to attract and retain Space Domain Awareness and other technology companies, weakening cluster development and slowing sector growth at a time when Hawai'i has a competitive opportunity.





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For these reasons, HTDC respectfully asks the committees to support SB2816. Mahalo for the opportunity to testify.



JOSH GREEN M.D.
GOVERNOR

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STATE OF HAWAII
DEPARTMENT OF TAXATION

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 2816, Relating to State Enterprise Zones

BEFORE THE:

Senate Committees on Economic Development and Tourism, and Education

DATE: Tuesday, February 17, 2026

TIME: 1:01 p.m.

LOCATION: State Capitol, Room 229

Chairs DeCoite and Mercado Kim, Vice-Chairs Wakai and Kidani, and Members of the Committees:

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

H.B. 2816, amends section 209E-2 and -9, Hawaii Revised Statutes (HRS) to allow an "affiliated collaborator" to be treated as a qualified business for the limited purpose of receiving state and county enterprise zone (EZ) benefits when the collaborator has entered into a binding, written agreement with a qualified, established business located within the EZ. The bill specifically identifies the University of Hawai'i (UH) John A. Burns School of Medicine and the UH Cancer Center, as qualified, established entities, and limits the collaborator's eligibility for benefits to not more than 7 years, subject to termination if the written agreement expires, terminates, or is breached.

An "affiliated collaborator" is defined as a Hawaii-based business that has entered an agreement as noted above, is engaged in an eligible business activity, and is not established within an EZ but conducts economic activity including Hawai'i-based payroll, research expenditures, and clinical operations in the same county as the affiliated EZ business.

The bill also amends the definition of “eligible business activity” by deleting the term “genetically engineered” and adding the following new categories:

- “Medical and health care services,”
- “Research and development of aerospace technology,” and
- “Information technology design and production services.”

S.B. 2816 also amends section 209E-4, HRS, by increasing the governor’s authority to approve the designation of EZs in each county from six to eight and adds a criterion that each census tract in which each EZ is located may now also be qualified if the tract contains the UH John A. Burns School of Medicine or the UH Cancer Center.

The bill also amends section 209E-10 by extending the State business tax credit to “affiliated collaborators” certified under this chapter but only with respect to income, gross receipts, and payroll directly attributable to and resulting from each “certified partnership,” “collaboration,” or “binding agreement” with an established qualified EZ business.

The bill takes effect upon its approval.

DOTAX recommends that the bill be amended to apply to taxable years beginning after December 31, 2026, to allow time to make necessary form and instruction changes.

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



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
Senate Committee on Economic Development and Tourism
and

Senate Committee on Education
Tuesday, February 17, 2026 at 1:01 p.m.

By

T. Samuel Shomaker, MD, JD, MSM
Dean

John A. Burns School of Medicine
and

Naoto T. Ueno, MD, PhD
Director

University of Hawai'i Cancer Center
and

Vassilis L. Syrmos, PhD
Interim Provost

University of Hawai'i at Mānoa

SB 2816 – RELATING TO STATE ENTERPRISE ZONES

Chairs DeCoite and Kim, Vice Chairs Wakai and Kidani, and Members of the Committees:

Mahalo for the opportunity to comment on SB 2816, which modernizes Hawai'i's State Enterprise Zones program by recognizing the University of Hawai'i John A. Burns School of Medicine (JABSOM) and the University of Hawai'i Cancer Center (UH Cancer Center) as anchor institutions for health innovation, clinical research, and biotechnology-driven economic development.

SB 2816 appropriately acknowledges that academic medicine and cancer research are not only essential to patient care but also serve as critical drivers of economic growth, workforce development, and private-sector investment. Together, JABSOM and the UH Cancer Center form the core of Hawai'i's health innovation ecosystem—spanning medical education, clinical trials, translational research, and the development of new diagnostics, devices, and therapies.

JABSOM trains Hawai'i's future physicians and physician-scientists while serving as a hub for clinical research, health systems innovation, and community-based care. In parallel, the UH Cancer Center, as the State's only NCI-designated cancer center, leads early-phase clinical trials, population-based research, and translational science that increasingly relies on collaboration with biotechnology and health technology partners.

By authorizing enterprise zone designation for census tracts that include JABSOM and the UH Cancer Center, SB 2816 aligns state economic policy with where innovation is already occurring. The measure also thoughtfully allows businesses outside a designated enterprise zone to qualify for enterprise zone benefits when they enter into binding collaborations with qualified businesses located within these census tracts. This flexibility reflects the modern, distributed nature of biomedical innovation and enables Hawai'i-based companies to participate meaningfully without unnecessary geographic barriers.

The anticipated impacts of SB 2816 include:

- **Economic Diversification:** Growth in biotechnology, medical devices, clinical research, and health services—sectors that generate high-skill, high-wage jobs.
- **Workforce Development:** Expanded career pathways for Hawai'i residents in medicine, research, clinical trials, data science, regulatory affairs, and advanced manufacturing.
- **Patient Benefit:** Increased access to cutting-edge clinical trials and innovative treatments for Hawai'i residents, reducing the need for out-of-state care. For Cancer, Ho'ōla Early Phase Clinical Research Center will open in March 2026.
- **Public–Private Partnerships:** Stronger collaboration between UH, industry, and community partners, ensuring that intellectual property and economic value remain in Hawai'i.

SB 2816 represents a strategic and forward-looking investment in Hawai'i's future—strengthening academic medicine, advancing cancer research, improving patient outcomes, and positioning the state as a competitive healthcare and biotechnology hub.

Mahalo for the opportunity to provide our comment of this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
SENATE COMMITTEE ON EDUCATION

Tuesday, February 17, 2026
1:01 PM
State Capitol, Conference Room 229

In consideration of
SB2816
RELATING TO STATE ENTERPRISE ZONES

Chairs DeCoite and Kim, Vice Chairs Wakai and Kidani, and Members of the Committees,

The Department of Business, Economic Development and Tourism (DBEDT) supports S.B. 2816, which would strengthen Hawai'i's State Enterprise Zones (EZ) program by: (1) supporting enterprise zone designation for census tracts containing the University of Hawai'i John A. Burns School of Medicine (JABSOM) and the University of Hawai'i Cancer Center; (2) expanding eligible activities to clearly include medical and health care services; and (3) authorizing participation by "affiliated collaborators" outside the zone when there is a binding collaboration agreement with a qualified business located in the designated area.

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. DBEDT's strategy emphasizes leveraging and modernizing existing incentives, including geographically targeted tools like enterprise zones, so the State can more effectively convert public investments in infrastructure, research capacity, and facilities into private investment, startup formation, and job creation.

S.B. 2816 is consistent with that approach because it helps align place-based incentives with major public assets and anchors, such as academic medicine and applied research

institutions, where Hawai'i can build globally competitive clusters in healthcare technology, biotech, clinical research, and related advanced manufacturing.

Hawai'i faces well-documented cost pressures that impact business viability and expansion decisions. National and widely-used benchmarks consistently identify Hawai'i as a high-cost location for households and employers, including:

- Cost of living: C2ER's Cost of Living Index is one of the standard national references used to compare relative cost pressures across U.S. regions. ([C2ER Cost of Living Index][1])
- Business tax competitiveness: The Tax Foundation's State Tax Competitiveness/Business Tax Climate methodology is a commonly cited national comparison for how states' tax structures affect competitiveness. ([Tax Foundation][2])
- Cost of doing business: DBEDT has also summarized national business climate comparisons (including CNBC's "cost of doing business" measures) in recent analysis of Hawai'i's business cost challenges. ([DBEDT][3])

In a high-cost environment, enterprise zones function as a targeted cost-reduction tool by offering tax credits/waivers and related incentives that can improve project feasibility, reduce early-stage operating burdens, and encourage firms to locate, expand, and hire in designated areas, particularly where the State is already investing in enabling infrastructure and facilities. Economic literature recognizes that tax incentives can alter the "profit equation" of locating in specific areas by reducing costs and improving long-term feasibility, even as outcomes depend on program design and targeting. ([Minnesota Legislature][4])

Healthcare technology and bioscience commercialization are a natural fit for Hawai'i's diversification strategy: they are innovation-intensive, export-capable, and aligned with existing anchors (JABSOM, the Cancer Center, and broader UH research capacity). S.B. 2816 supports this by (1) enabling enterprise zone designation for the relevant census tracts and (2) expanding participation pathways for firms collaborating with qualified businesses in the zone.

DBEDT respectfully requests two amendments to strengthen the bill's long-term utility and to ensure the EZ program can be aligned with additional State-supported innovation.

1) Amend Section 2 – Add a Definition of "Innovation Center"

Section 2 should be amended by adding:

"Innovation center" means any state-affiliated or supported facility established to facilitate the growth, development, or entrepreneurship of technology-driven or science-based enterprise initiatives that contribute to the State's economic development, diversification, and workforce advancement goals.

2) Amend Section 3 – Add Governor Authority to Designate Census Tracts Containing an Innovation Center

Section 3 should be amended by adding:

Notwithstanding any other provision of this chapter the recommendation of the director, may approve the designation of any United States census tract containing an innovation center as an enterprise zone. Designations under this subsection shall not require application or recommendation by a county governing body and shall not count toward the limit of six areas in each county prescribed in subsection (b).*

These amendments would help ensure the enterprise zones program can be deployed as a nimble competitiveness tool in areas where the State is already making (or will be making) strategic investments in enabling research capacity, and facilities, improving Hawai'i's ability to attract private investment and convert public investments into measurable economic outcomes.

DBEDT supports S.B. 2816, as a practical step to strengthen Hawai'i's diversification ecosystem, improve business competitiveness in a high-cost environment, and accelerate healthcare technology and bioscience cluster development anchored by world-class institutions. DBEDT respectfully requests the amendments described above.

Thank you for the opportunity to provide testimony.

[1]: https://www.coli.org/?utm_source=chatgpt.com "C2ER Cost of Living Index – the most reliable source of city"

[2]: https://taxfoundation.org/location/hawaii/?utm_source=chatgpt.com "Hawaii Tax Rates & Rankings"

[3]: https://dbedt.hawaii.gov/economic/files/2025/04/Group-3.-Business-Cost.pdf?utm_source=chatgpt.com "Pricing Business Out of Paradise"

[4]: https://www.leg.mn.gov/docs/2005/other/050167.pdf?utm_source=chatgpt.com "Enterprise Zones: A Review of the Economic Theory"



**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

Statement of
CRAIG K. NAKAMOTO
Executive Director
Hawai'i Community Development Authority
before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM
and
SENATE COMMITTEE ON EDUCATION

Tuesday, February 17, 2026
1:01 p.m.
State Capitol, Conference Room 229 & Videoconference

In consideration of
SB 2816
RELATING TO STATE ENTERPRISE ZONES.

Chairperson DeCoite, Chairperson Kim, Vice Chairperson Wakai, and Vice Chairperson Kidani and members of the Committees:

The Hawai'i Community Development Authority (HCDA) **supports** SB 2816, which (i) increases the number of enterprise zones that may be nominated by each county, (ii) authorizes enterprise zone designations for census tracts that include the University of Hawaii John A. Burns School of Medicine (JABSOM) and the University of Hawaii Cancer Center (Cancer Center), and (iii) allows businesses not established in an enterprise zone to qualify for enterprise zone benefits if those businesses enter into a binding collaboration or agreement with a business that is established in the census tract that includes JABSOM and the Cancer Center. Our testimony is limited to the designation of the census tract as an enterprise zone. HCDA has no comment on taxation matters (see, commencing from page 11, lines 20 to 21), preferring to defer to the State Department of Taxation.

HCDA is the planning and regulatory state agency for the Kakaako community development district (District). JABSOM and the Cancer Center are located in the Makai area of the District. HCDA has an interest in supporting this bill.

JABSOM and the Cancer Center contribute to the community in the areas of medicine, science, clinical trials, and pharmaceutical trials. Their contributions are the basis for allowing “affiliated collaborators” (see, page 3, line 20) that meet certain conditions to qualify for enterprise zone benefits. 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 Hawaii and nationwide.

Thank you for the opportunity to provide testimony in support.

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 including collaborators with John A. Burns School of Medicine

BILL NUMBER: HB 2141, SB 2816

INTRODUCED BY: HB by ILAGAN, GARCIA, GEDEON, ICHIYAMA, KAHALOA, KAPELA, KILA, KUSCH, MARTEN, MATSUMOTO, MORIKAWA, REYES ODA, SAYAMA, SHIMIZU, SOUZA, TAKAYAMA, TEMPLO; SB by MORIWAKI, HASHIMOTO, LAMOSAO, San Buenaventura

EXECUTIVE SUMMARY: Increases the number of enterprise zones that may be nominated by each county. Authorizes enterprise zone designation for census tracts that contain the University of Hawai‘i John A. Burns School of Medicine and the University of Hawai‘i Cancer Center. Allow businesses not established in an enterprise zone to qualify for enterprise zone benefits; provided that they have entered into a binding collaboration or contract with a business that is established in the census tract that contains the University of Hawai‘i John A. Burns School of Medicine or the University of Hawai‘i Cancer Center.

SYNOPSIS: Amends section 209E-2, HRS, to add a definition of “affiliated collaborator” as a Hawaii-based business that: (1) Is not established within an enterprise zone but has entered into a written, binding agreement with a qualified business established in the enterprise zone that includes the university of Hawaii John A. Burns school of medicine and the university of Hawaii cancer center to perform an eligible business activity; (2) Is engaged in an eligible business activity; and (3) Conducts economic activity, including Hawaii-based payroll, research expenditures, and clinical operations, in the same county as the qualified business described in paragraph (1).

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 designate as an enterprise zone the census tract that contains JABSOM.

Amends section 209E-9, HRS, to allow an affiliated collaborator as an eligible business if: (1) The affiliated collaborator shall have a written, binding agreement with a qualified business

established in the enterprise zone that includes the university of Hawaii John A. Burns school of medicine or the university of Hawaii cancer center; (2) The affiliated collaborator shall maintain a valid binding agreement for the duration of its eligibility; provided that the affiliated collaborator's eligibility for enterprise zone benefits shall terminate upon the expiration, termination, or breach of the agreement; and (3) The affiliated collaborator's eligibility for enterprise zone benefits shall not exceed seven years.

Amends section 209E-10 to provide that an affiliated collaborator certified under this chapter shall be eligible for enterprise zone benefits only with respect to income, gross receipts, and payroll that are directly attributed to and derived from each certified partnership, collaboration, or binding agreement with a qualified business established in the enterprise zone that includes the university of Hawaii John A. Burns school of medicine or the university of Hawaii cancer center.

EFFECTIVE DATE: Upon approval.

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

Digested: 2/7/2026



Written Statement of
DR. PATRICK SULLIVAN
CEO, OCEANIT

Before the
SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM

AND

SENATE COMMITTEE ON EDUCATION

Tuesday, February 18, 2026
1:01 p.m.
State Capitol, Conference Room 229 and Videoconference

In Support of
SB2816 RELATING TO STATE ENTERPRISE ZONES

To: Chair Senator Lynn DeCoite and Chair Senator Donna Mercado Kim, Vice Chair Senator Glenn Wakai and Vice Chair Senator Michell N. Kidani and Members of the Committees

From: Dr. Patrick Sullivan, CEO

Re: Testimony in Support of SB2816

Chais DeCoite and Mercado Kim, Vice Chairs Wakai and Kidani and Members of the Committees:

Oceanit Laboratories, Inc. respectfully submits this testimony in support of SB2816. 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 SB2816.



February 14, 2026

Senate Committee on Economic Development & Tourism
Senate Committee on Education

TESTIMONY ON SB2816
Relating to State Enterprise Zones

By
Ryan Churchill
President
Pacific Rim Land, Inc.
1300 North Holopono Street
Kihei, Hawaii 96753

Dear Chairs DeCoite and Mercado Kim, Vice Chairs Wakai and Kidani, and Members of the Committees,

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 SB2816 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 Lipoa 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 Lipoa 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 Lipoa.

SUPPORT OF CLASSIFICATIONS. We also support the inclusion of the two additional classifications necessary for Lipoa 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.



Hawaii Medical Association

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SENATE COMMITTEE ON HEALTH AND HUMAN SERVICES

Senator Joy A. San Buenaventura, Chair
Senator Angus L.K. McKelvey, Vice Chair

Date: February 17, 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 RELATING TO STATE ENTERPRISE ZONES. Enterprise Zones; University of Hawai'i John A. Burns School of Medicine; University of Hawai'i Cancer Center; Affiliated Collaborators

Position: Support

This measure would increase the number of enterprise zones that may be nominated by each county, authorize enterprise zone designation for census tracts that contain the University of Hawai'i John A. Burns School of Medicine and the University of Hawai'i Cancer Center, allow businesses not established in an enterprise zone to qualify for enterprise zone benefits; provided that they have entered into a binding collaboration or contract with a business that is established in the census tract that contains the University of Hawai'i John A. Burns School of Medicine or the University of Hawai'i Cancer Center.

HMA supports this measure. The bill modernizes eligibility criteria so that 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 even if they are not physically located within a zone. This adaptation reflects how modern economic activity happens through networks and collaborations, not just geography.

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
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REFERENCES AND QUICK LINKS

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2024 Hawaii Medical Association Officers

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2024 Hawaii Medical Association Public Policy Coordination Team

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Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director



To: The Honorable Lynn DeCoite, Chair
The Honorable Glenn Wakai, Vice Chair
Members, Senate Committee on Economic Development and Tourism

The Honorable Michelle N. Kidani, Chair
The Honorable Donna Mercado Kim, Vice Chair
Members, Senate Committee on Education

From: Jace Mikulanec, Director, Government Relations, The Queen's Health Systems

Date: February 18, 2026

Re: Support of SB2816 – Relating to State Enterprise Zones.

The Queen's Health Systems (Queen's) is a nonprofit corporation that provides expanded health care capabilities to the people of Hawai'i and the Pacific Basin. Since the founding of the first Queen's hospital in 1859 by Queen Emma and King Kamehameha IV, it has been our mission to provide quality health care services in perpetuity for Native Hawaiians and all of the people of Hawai'i. Over the years, the organization has grown to four hospitals, and more than 10,000 affiliated physicians, caregivers, and dedicated medical staff statewide. As the preeminent health care system in Hawai'i, Queen's strives to provide superior patient care that is constantly advancing through education and research.

Queen's appreciates the opportunity to testify in support of SB2816, which increases the number of enterprise zones that may be nominated by each county and authorizes enterprise zone designation for census tracts that contain the University of Hawai'i John A. Burns School of Medicine and the University of Hawai'i Cancer Center. The Queen's Medical Center is a long-standing member of the University of Hawai'i Cancer Consortium, of which members have a common goal to eliminate cancer through research. The UH Cancer Center is one of only 73 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation and is the only NCI-designated center in the Pacific. The NCI designation provides cancer researchers in Hawai'i with greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to many innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

SB2816 will further ensure that Hawai'i is seen as a competitive health innovation; thus, expanding opportunities for critical clinical trials, translational research, precision oncology, medical device development, and health data innovation.

Mahalo for allowing Queen's to provide testimony in support of SB2816.

The mission of The Queen's Health System is to fulfill the intent of Queen Emma and King Kamehameha IV to provide in perpetuity quality health care services to improve the well-being of Native Hawaiians and all of the people of Hawai'i.