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## A BILL FOR AN ACT

RELATING TO STATE ENTERPRISE ZONES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. Following the 2009 legislative session, the  
2 chairs of the senate committee on economic development and  
3 technology and the house committee on economic revitalization,  
4 business and military affairs convened a technology caucus work  
5 group to bring together industry stakeholders and interested  
6 policymakers to develop recommendations for legislation to  
7 enhance Hawaii's struggling economy. The work group provided a  
8 forum to review the current status of Hawaii's  
9 science/technology industry, identify state or county actions  
10 that impede long-term growth and expansion of technology  
11 companies, and develop recommendations to address these  
12 impediments. The work group also identified best practices  
13 supporting the growth and development of science/technology  
14 industries in other jurisdictions to aid in developing proposed  
15 suggestions for future legislation.

16           The legislature finds that adding businesses engaged in the  
17 development or production of various types of renewable energy



1 to those that may qualify for state enterprise zone tax  
2 incentives and regulatory flexibility would stimulate business,  
3 agricultural, and industrial growth in areas that would result  
4 in neighborhood revitalization. The legislature further finds  
5 that adding other forms of renewable resources including sun,  
6 falling water, biogas, geothermal, ocean water, currents, and  
7 waves, biomass, biofuels and hydrogen production from renewable  
8 energy sources into the state enterprise zone program is  
9 consistent with the current approved business activities, which  
10 presently include wind energy production. These additional  
11 incentives will provide the impetus to help attract renewable  
12 energy businesses to Hawaii and further the State's renewable  
13 energy goals.

14 The purpose of this Act is to implement recommendations of  
15 the technology caucus work group by expanding eligible business  
16 activity in the state enterprise zones to include the  
17 development or production of various types of renewable energy.

18 SECTION 2. Section 209E-2, Hawaii Revised Statutes, is  
19 amended by amending the definition of "eligible business  
20 activity" to read as follows:

21 "Eligible business activity" means the:



- 1           (1) Manufacture of tangible personal property, the  
2           wholesale sale of tangible personal property as  
3           described in section 237-4, or a service business as  
4           defined in this section;
- 5           (2) Production of agricultural products where the business  
6           is a producer as defined in section 237-5, or the  
7           processing of agricultural products, all or some of  
8           which were grown within an enterprise zone;
- 9           (3) Research, development, sale, or production of all  
10          types of genetically-engineered medical, agricultural,  
11          or maritime biotechnology products; or
- 12          (4) ~~[Production of electric power from wind energy for~~  
13          ~~sale primarily to a public utility company for resale~~  
14          ~~to the public.] Development or production of fuels,~~  
15          thermal energy, or electrical energy from renewable  
16          resources, including:
  - 17                (A) Wind;
  - 18                (B) The sun;
  - 19                (C) Falling water;
  - 20                (D) Biogas, including landfill and sewage-based  
21                    digester gas;
  - 22                (E) Geothermal;





- 1            (F) Ocean water, currents, and waves, including ocean
- 2            thermal energy conversion;
- 3            (G) Biomass, including biomass crops, agriculture and
- 4            animal residues and wastes, and solid waste;
- 5            (H) Biofuels; and
- 6            (I) Hydrogen produced from renewable energy sources."

7            SECTION 3. Statutory material to be repealed is bracketed  
 8 and stricken. New statutory material is underscored.

9            SECTION 4. This Act shall take effect on July 1, 2010.

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INTRODUCED BY: \_\_\_\_\_

  
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**Report Title:**

State Enterprise Zones; Renewable Energy

**Description:**

Expands eligible business activity in the State enterprise zones to include the development or production of various types of renewable energy.

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