

Honolulu, Hawaii
February 18, 2016

RE: H.B. No. 2299
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2299 entitled:

"A BILL FOR AN ACT RELATING TO THE NATURAL ENERGY LABORATORY OF HAWAII AUTHORITY,"

begs leave to report as follows:

The purpose of this measure is to continue to stimulate the creation, development, growth, and expansion of new businesses where needed in the State. Specifically, this measure makes businesses producing renewable energy from various sources within research and technology parks established by the Natural Energy Laboratory of Hawaii (NELHA) eligible for Hawaii's Enterprise Zone Program (EZ Program).

The Department of Business, Economic Development and Tourism, Department of Taxation, and NELHA testified in support of this measure.

Your Committee finds that certain areas of the State need the particular attention of government to help attract private sector investment and that Hawaii's EZ Program was established as a result of this need. The purpose of the EZ Program is to stimulate business, agricultural, and industrial growth to spur neighborhood revitalization, where needed, by means of regulatory flexibility and tax incentives.



While NELHA currently exists in an enterprise zone and businesses engaged in the production of wind energy for sale primarily to a public utility company for resale to the public already qualify for EZ Program benefits, many new businesses and projects focused on other sources of renewable energy generation do not. Allowing businesses producing renewable energy from various sources within research and technology parks established by NELHA to be eligible for enterprise zone benefits will assist NELHA in attracting new projects to their technology park and continue growth of their economic development project.

Your Committee has amended this measure by changing its effective date to February 19, 2022, to facilitate further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2299, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2299, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



DEREK S.K. KAWAKAMI, Chair



