

STAND. COM. REP. NO. 671

Honolulu, Hawaii
FEB 17, 2023

RE: H.B. No. 852
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Economic Development, to which was referred
H.B. No. 852, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE ENTERPRISE ZONES,"

begs leave to report as follows:

The purpose of this measure is to expand the types of
business activity eligible for participation in Hawaii's
Enterprise Zone Program to include the processing of value-added
agricultural products grown within an enterprise zone and the
development or production of renewable energy.

Your Committee received testimony in support of this measure
from the Department of Business, Economic Development, and
Tourism; Ulupono Initiative; Hawai'i Farm Bureau; Hawaii Clean
Power Alliance; Hawai'i Gas; and Hawaii Food Industry Association.
Your Committee received comments on this measure from the
Department of Agriculture.

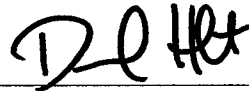
Your Committee finds that Hawaii's Enterprise Zone Program
was established to stimulate certain types of business activity
and increase employment in targeted areas of Hawaii through tax
and other incentives. Your Committee further finds that
agricultural-related businesses account for roughly half of all
businesses in the Enterprise Zone Program. Your Committee
believes that including the processing of value-added agricultural

products that are grown within an enterprise zone as an eligible business activity under the Enterprise Zone Program will support the production of value-added products in the State and strengthen the local economy.

Your Committee also finds that including the development or production of renewable energy as an eligible business activity under the Enterprise Zone Program will reduce the overall cost of renewable energy projects and enable greater ratepayer savings.

As affirmed by the record of votes of the members of your Committee on Economic Development that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 852, H.D. 1, and recommends that it be referred to your Committee on Finance.

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



DANIEL HOLT, Chair



