

Honolulu, Hawaii

Feb 12, 2010

RE: H.B. No. 2408
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Sir:

Your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs, to which was referred H.B. No. 2408 entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose of this bill is to promote self-sufficiency in certain economic development programs by, among other things:

- (1) Requiring the Department of Taxation (DOTAX) to submit annual reports to the Legislature on the effectiveness of the Motion Picture, Digital Media, and Film Production Tax Credit (Tax Credit);
- (2) Renaming the Hawaii Television and Film Development Special Fund to the Hawaii Film Office Special Fund (Fund) and directing \$500,000 or an unspecified percentage of the economic development impact of the Tax Credit into the Fund;
- (3) Repealing the grant program and venture capital program associated with the Fund;
- (4) Specifying that the Fund be used for the operations of the Hawaii Film Office, including personnel costs;



- (5) Allowing the Hawaii Community-based Economic Development Revolving Fund to be used for the operations of the Community-based Economic Development Program and Enterprise Zone Program; and
- (6) Repealing the Hawaii Television and Film Development Board.

The Department of Business, Economic Development, and Tourism, DOTAX, Tax Foundation of Hawaii, and Hawaii Film and Entertainment Board offered comments.

Your Committee notes that there are other measures, including H.B. No. 2529 and H.B. No. 2382, that rename and make changes to the Hawaii Television and Film Development Special Fund. Those measures should be reviewed by subsequent committees hearing this measure to ensure consistency with this measure during the legislative process.

Your Committee has amended this bill by:

- (1) Removing the provisions that directed \$500,000 or an unspecified percentage of the economic development impact of the Tax Credit into the Fund;
- (2) Changing the effective date to July 1, 2112, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

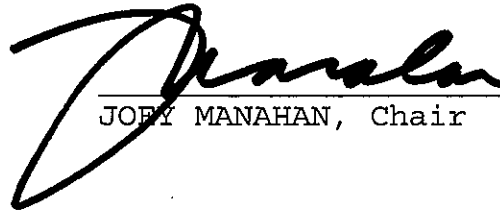
As affirmed by the records of votes of the members of your Committees on Tourism, Culture, & International Affairs and Economic Revitalization, Business, & Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2408, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2408, H.D. 1, and be referred to the Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committees on Tourism, Culture,
& International Affairs and
Economic Revitalization,
Business, & Military Affairs,



ANGUS L.K. MCKELVEY, Chair



JOEY MANAHAN, Chair



State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 389-10

Record of Votes of the Committee on Tourism, Culture, & International Affairs

Bill/Resolution No.: HB 2408	Committee Referral: TCI/EBM,FIN	Date: 2/8/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
TCI Members	Ayes	Ayes (WR)	Nays	Excused
1. MANAHAN, Joey (C)	✓			
2. TOKIOKA, James Kunane (VC)	✓			
3. BERG, Lyla B.	✓			
4. CHOY, Isaac W.	✓			
5. EVANS, Cindy	✓			
6. McKELVEY, Angus L.K.	✓			
7. TAKAI, K. Mark	✓			
8. TSUJI, Clift	✓			
9. WAKAI, Glenn	✓			
10. WOOLEY, Jessica	✓			
11. MARUMOTO, Barbara C.		✓		
TOTAL (11)	10	1		
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 150px;">committee acronym(s)</small>				
Vice Chair's or designee's signature: _____				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

State of Hawaii
House of Representatives
The Twenty-fifth Legislature

HSCR 389-10

Record of Votes of the Committee on Economic Revitalization, Business, & Military Affairs

Bill/Resolution No.: HB 2408	Committee Referral: TCI/EBM, FIN	Date: Feb. 8, 2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EBM Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	/			
2. CHOY, Isaac W. (VC)	/			
3. BERG, Lyla B.	/			
4. EVANS, Cindy	/			
5. MANAHAN, Joey	/			
6. TAKAI, K. Mark	/			
7. TOKIOKA, James Kunane	/			
8. TSUJI, Clift	/			
9. WAKAI, Glenn	/			
10. WOOLEY, Jessica	/			
11. WARD, Gene	/			
TOTAL (11)	11			
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; margin-left: 100px;">committee acronym(s)</div>				
Vice Chair's or designee's signature: _____ <div style="text-align: center; margin-left: 100px;"><i>Sam Wooley</i></div>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				