

**LATE TESTIMONY**  
**WRITTEN ONLY**

TESTIMONY BY GEORGINA K. KAWAMURA  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON ECONOMIC REVITALIZATION, BUSINESS, AND  
MILITARY AFFAIRS  
ON  
SENATE BILL NO. 2144, S.D. 2

March 18, 2010

RELATING TO ECONOMIC DEVELOPMENT

Senate Bill No. 2144, S.D. 2, reassigns the duties and operations of the Department of Business, Economic Development and Tourism's Film Office to the Hawaii Tourism Authority and establishes the Hawaii Film Office Special Fund. The special fund will be used for operations of the Hawaii Film Office; however, no appropriation is included in the bill.

Senate Bill No. 2144, S.D. 2, also amends the Hawaii Community-Based Economic Development Revolving Fund to expand use of the fund to include support personnel and operational costs related to the Department of Business, Economic Development and Tourism's Community-Based Economic Development program and Enterprise-Zone program; however, no appropriation is included in the bill.

As a matter of general policy, this department does not support any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining.

It is difficult to determine whether both the Hawaii Film Office Special Fund and the Hawaii Community-Based Development Revolving Fund would meet these criteria with the amendments made in Senate Bill No. 2144, S.D. 1.

This department supports the language in Senate Bill No. 2682, which provides a mechanism for the Department of Business, Economic Development and Tourism to carry out its functions and operations in developing, promoting, and assisting film, television, digital media, and other creative industries in Hawaii. We respectfully urge the committee to adopt the language contained in Senate Bill No. 2682.