

STAND. COM. REP. NO. 449

Honolulu, Hawaii

Feb 18, 2011

RE: H.B. No. 1308
H.D. 1

Honorable Calvin K.Y. Say
Speaker, House of Representatives
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committee on Economic Revitalization & Business, to which was referred H.B. No. 1308 entitled:

"A BILL FOR AN ACT RELATING TO DIGITAL MEDIA,"

begs leave to report as follows:

The purpose and intent of this measure is to spur the growth of the digital media industry in Hawaii.

Specifically, this measure:

- (1) Provides tax benefits for the development and operation of the digital media industry;
- (2) Establishes digital media enterprise subzones in geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones;
- (3) Renames the Hawaii television and film development board and the Hawaii television and film development special fund the Hawaii film office board and Hawaii film office special fund, respectively; and
- (4) Provides that the Hawaii film office special fund will be used initially to fund the Hawaii film office and later a grant and venture capital program to support eligible Hawaii film projects.



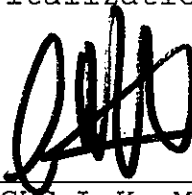
Your Committee received testimony in support of this measure from the University of Hawaii. Your Committee received testimony in opposition to this measure from the Department of Taxation. Your Committee received comments on this measure from the Office of Information Practices and the Tax Foundation of Hawaii.

Your Committee finds that, on the heels of the long-awaited groundbreaking of the University of Hawaii-West Oahu campus and several high-profile movie projects and television shows filming in the islands, the opportunity exists to foster the development of the State's digital media industry. Creating enterprise subzones and providing tax incentives would incite the creation of digital media companies, which would in turn generate jobs and revenue for the State. Furthermore, establishing Hawaii as a hub for the digital media industry will attract and motivate today's tech-savvy students to enroll in the University of Hawaii's creative media programs and reduce the State's brain drain.

Your Committee believes that this measure merits further discussion and, accordingly, has amended this measure by changing the effective date from July 1, 2011, to July 1, 2112.

As affirmed by the record of votes of the members of your Committee on Economic Revitalization & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1308, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1308, H.D. 1, and be referred to the Committee on Finance.

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



ANGUS L.K. MCKELVEY, Chair



State of Hawaii
House of Representatives
The Twenty-sixth Legislature

HSCR 449

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: HB 1308	Committee Referral: ERB, FIN	Date: 2/15/11		
<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)				
ERB Members	Ayes	Ayes (WR)	Nays	Excused
1. McKELVEY, Angus L.K. (C)	✓			
2. CHOY, Isaac W. (VC)	✓			
3. AWANA, Karen L.	✓			
4. BROWER, Tom				✓
5. EVANS, Cindy				✓
6. HASHEM, Mark J.	✓			
7. NISHIMOTO, Scott Y.				✓
8. TOKIOKA, James Kunane				✓
9. TSUJI, Clift	✓			
10. MARUMOTO, Barbara C.	✓			
11. PINE, Kymberly Marcos	✓			
TOTAL (11)	7	0	0	4
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; font-size: small;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <u><i>Jan W. Chy</i></u>				
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