

STAND. COM. REP. NO. 350

Honolulu, Hawaii

Feb 16, 2011

RE: H.B. No. 986  
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. 986 entitled:

"A BILL FOR AN ACT RELATING TO TELEVISION AND FILM PRODUCTION,"

begs leave to report as follows:

The purpose of this bill is to provide a dedicated funding source for the Creative Industries Division (Division) of the Department of Business, Economic Development, and Tourism (DBEDT) by:

- (1) Requiring DBEDT to establish and collect a surcharge on each film permit approval and issuance; and
- (2) Specifying that revenues collected from the surcharge be deposited into the Hawaii Television and Film Development Special Fund (Special Fund) to be used for the Division.

DBEDT supported this bill. The Hawaii Film & Entertainment Board supported the intent of this measure.

In light of recommendations provided in testimony, your Committee has amended this measure by:

HB986 HD1 HSCR ERB HMS 2011-2036



- (1) In lieu of each film permit approval and issuance, revising the surcharge by applying it to each film permit application processed by DBEDT;
- (2) In addition to the surcharge, specifying that revenues collected from:
  - (A) Rental of the Hawaii Film Studio;
  - (B) Film permit violation fees assessed by DBEDT; and
  - (C) Fees for processing tax incentive applications under the Motion Picture, Digital Media, and Film Production Income Tax Credit,

be deposited into the Special Fund and used to support the Division:

- (3) Clarifying that the Director of DBEDT shall determine the use of revenues collected from the surcharge and the sources listed in (2) to support the Division;
- (4) Inserting an appropriation amount to expend funds from the Special Fund;
- (5) Changing its effective date to July 1, 2112, to encourage further discussion; and
- (6) Making technical, nonsubstantive amendments for style, clarity, and consistency.

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. 986, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 986, 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,



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ANGUS L.K. MCKELVEY, Chair



State of Hawaii  
House of Representatives  
The Twenty-sixth Legislature

HSCR 350

**Record of Votes of the Committee on Economic Revitalization & Business**

Bill/Resolution No.: <b>HB 986</b>	Committee Referral: <b>ERB, FIN</b>	Date: <b>2/8/11</b>		
<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)				
<b>ERB Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
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	✓			
<b>TOTAL (11)</b>	<b>10</b>	<b>1</b>	<b>0</b>	<b>0</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u></u>				
Distribution:    Original (White) – Committee    Duplicate (Yellow) – Chief Clerk's Office    Duplicate (Pink) – HMSO				