

Honolulu, Hawaii

March 8, 2011

RE: H.B. No. 986  
H.D. 2

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

Sir:

Your Committee on Finance, to which was referred H.B. No. 986, H.D. 1, 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 source of funding for the Department of Business, Economic Development, and Tourism (DBEDT) Creative Industries Division, by:

- (1) Requiring DBEDT to establish and collect a surcharge on each film permit application it processes;
- (2) Specifying that film permit surcharges, Hawaii Film Studio rental revenues, film permit violation fees, and tax incentive application processing fees be deposited into the Hawaii Television and Film Development Special Fund (Special Fund);
- (3) Authorizing DBEDT to determine the use of the Special Fund moneys; and
- (4) Stipulating that Special Fund revenues shall not supplant general funds appropriated and allocated to the DBEDT Creative Industries Division.



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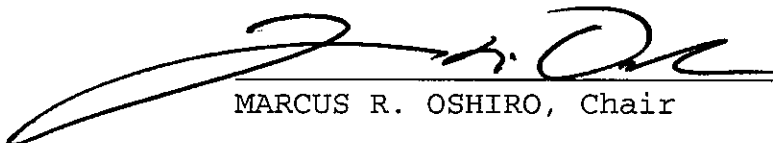
DBEDT testified in support of this bill. A concerned individual opposed this measure. Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by:

- (1) Eliminating the requirement that revenues generated from the Hawaii Television and Film Development Special Fund shall not supplant general funds appropriated and allocated to the DBEDT Creative Industries Division;
- (2) Changing its effective date to July 1, 2030, to encourage continued discussion; and
- (3) Making a technical, nonsubstantive amendment for clarity and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 986, H.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



MARCUS R. OSHIRO, Chair



