

STAND. COM. REP. NO.

207

Honolulu, Hawaii

FEB 15 2011

RE: S.B. No. 1133
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2011
State of Hawaii

Sir:

Your Committees on Economic Development and Technology and Education, to which was referred S.B. No. 1133 entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to establish digital media enterprise subzones as unspecified geographic areas surrounding University of Hawaii campuses that are also designated as enterprise zones and to establish tax benefits for digital media infrastructure development and operation.

Your Committees received testimony in support of this measure from SHM Partners and one individual. Your Committees received comments on this measure from the Department of Business, Economic Development, and Tourism; University of Hawai'i System; Office of Information Practices; Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that the University of Hawai'i plans to extend digital media programs and establish an applied baccalaureate degree in this field at the University of Hawaii - West O'ahu. This measure would assist the campus in its development of program pathways related to creative media.

Your Committees have heard a number of related measures and believe the merits all require further deliberation. Your Committees have amended this measure accordingly, by:

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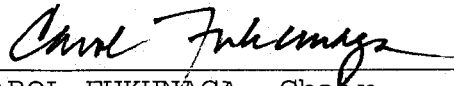
- (1) Inserting an effective date of July 1, 2050, to allow for further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1133, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 1133, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Economic
Development and Technology and
Education,



JILL TOKUDA, Chair



CAROL FUKUNAGA, Chair



