

STAND. COM. REP. NO. 1194

Honolulu, Hawaii

March 24, 2011

RE: S.B. No. 318
S.D. 2
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 S.B. No. 318, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO BUSINESS DEVELOPMENT IN HAWAII,"

begs leave to report as follows:

The purpose of this measure is to encourage business development in Hawaii through the growth of the film industry by providing enhanced incentives that attract more film and television productions to Hawaii, thereby generating increased tax revenues.

Testimony in support of the measure was submitted by the Mayor of the County of Maui; Hawaii Building and Construction Trades Council; International Alliance of Theatrical Stage Employees, Local 665; Plumbers and Fitters Union, Local 675; Relativity Media, LLC; and a private individual. Testimony in support of the intent of the measure was submitted by the Department of Business, Economic Development, and Tourism. The Department of Taxation and the Tax Foundation of Hawaii submitted comments on the measure.

Your Committee finds that H.B. No 1551, H.D. 2, also addresses business development by providing enhanced incentives to encourage growth of Hawaii's film industry. More specifically, H.B. No. 1551, H.D. 2:

SB318 HD1 HSCR LRB 11-2730.doc



- (1) Provides a tax credit for qualified media infrastructure projects; and
- (2) Establishes a qualified persons crew training program rebate.

Your Committee further finds that partially funding the qualified media infrastructure tax credit from county transient accommodations tax allocations and providing the mayor and county council of each county with the authority to approve qualified media infrastructure projects that are proposed to be located in their respective county would allow the counties an opportunity to determine whether a qualified media infrastructure project would be beneficial to the local economy.

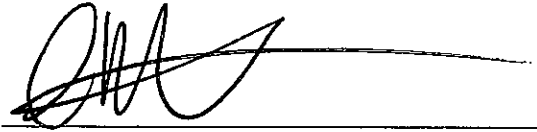
Your Committee has amended this measure by replacing its contents with the contents of H.B. No. 1551, H.D. 2, and further amending the measure by:

- (1) Requiring that an unspecified percentage of the qualified media infrastructure tax credit be funded by the transient accommodations tax credit allocation of the county in which the qualified media infrastructure project is to be located, subject to a letter of approval of the project issued by the mayor and council of the county; and
- (2) Changing the effective date to July 1, 2112, to facilitate further discussion on the measure.

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 S.B. No. 318, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 318, S.D. 2, 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 1194

Record of Votes of the Committee on Economic Revitalization & Business

Bill/Resolution No.: SB 318 SDZ 78	Committee Referral: ERB, FIN	Date: 3/22/11		
<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)	9	0	0	2
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: _____ <div style="text-align: center; font-size: large;"><i>[Signature]</i></div>				
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