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Statement of
RICHARD C. LIM
Interim Director
Department of Business, Economic Development, and Tourism
before the
COMMITTEE ON ECONOMIC DEVELOPMENT AND TECHNOLOGY
Tuesday, February 8, 2011
8:00 a.m.
State Capitol, Conference Room 312

in consideration of
HB 986
RELATING TO TELEVISION AND FILM PRODUCTION.

Chair McKelvey, Vice Chair Choy, and members of the Committee. DBEDT supports HB986. We appreciate this measure which allows the department to establish a surcharge for all film permits approved and issued, and deposit the surcharges into the Hawaii Film and Television Special Fund for use by the Creative Industries Division (CID).

The CID has had drastic reductions in both staff and funding this past fiscal year, losing fifty percent of its funding and staff. This bill assists the CID to generate an additional revenue stream that can then be used for operations, including repairs and maintenance of the Hawaii Film Studio and programs that accelerate the growth and sustainability of Hawaii's creative sectors.

The department respectfully requests that the committee consider amending the bill to include the following additional sources of potential revenue for the Hawaii Television and Film Development Special Fund: deposit of revenues received from the rental of the Hawaii Film Studio, film permit violation fees assessed by the department, and fees for processing tax

incentive applications (HRS235-17). As the fund is also tied to the Hawaii Television and Film Development Board, we request amending the language in HRS 201-112 to provide DBEDT director the ability to designate the use of these funds.

In addition, we ask that the language on P. 3, line 11 be changed from “of \$ _____ on each film permit it approves and issues” to “of \$ _____ on each film permit application it processes”. The department is limited in its ability to approve certain film permits, such as those under the jurisdiction of DOT, DAGS, DHHL, etc. With this language change, the department would be able to capture more revenue for the use by CID.

Additionally, we request the committee add in an appropriation for the Hawaii Television and Film Development Fund in order for the department to expend funds:

There is appropriated out of Hawaii Television and Film Development special fund the sum of \$ _____ or so much thereof as may be necessary for fiscal years 2012-2013 to be expended for the purposes of §201-113, Hawaii Revised Statutes.

Thank you for the opportunity to offer these comments and recommendations.