
A BILL FOR AN ACT

RELATING TO BUSINESS DEVELOPMENT IN HAWAII.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the film industry in
2 Hawaii is an important component of a diversified economy and
3 that its financial impact can be strengthened significantly if
4 existing incentives for the industry are enhanced.

5 The legislature further finds that it is necessary to
6 enhance the incentives that might lower film industry production
7 costs in order to allow Hawaii to compete with other film
8 production centers in attracting a greater number of significant
9 projects to the islands and to continue to build the local film
10 industry infrastructure.

11 The purpose of this Act is to encourage business
12 development in Hawaii through the growth of the film industry by
13 providing incentives that attract media infrastructure projects
14 in order to facilitate more film and television productions in
15 Hawaii.

16 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
17 amended by adding a new section to be appropriately designated
18 and to read as follows:



1 "§201- **Qualified media infrastructure projects; revenue**
2 **bonds; special fund.** (a) The director may issue revenue bonds
3 in amounts not more than \$25,000,000 to assist individuals with
4 qualified media infrastructure projects.

5 (b) The revenue bonds, including refunding revenue bonds,
6 shall not constitute indebtedness within the meaning of any
7 constitutional or statutory provision limiting the incurring of
8 indebtedness.

9 (c) Revenue bonds, including refunding revenue bonds,
10 issued under this section and the income derived therefrom shall
11 be exempt from all state, county, and municipal taxation.

12 (d) Proceeds received from the issuance of any revenue
13 bonds shall be deposited into the qualified media infrastructure
14 projects special fund established under subsection (e).

15 (e) There shall be created in the state treasury the
16 qualified media infrastructure projects special fund, which
17 shall be administered by the director. Funds shall consist of
18 the proceeds from revenue bonds issued under subsection (a),
19 legislative appropriations, donations, and any interest thereon.
20 The funds shall be used to provide financial assistance, in the
21 form of loans, grants, or other form of financial assistance, as
22 determined by the director, for qualified media infrastructure



1 projects; provided that no financial assistance shall be
2 disbursed prior to July 1, 2015.

3 (f) Applications for financial assistance for a qualified
4 media infrastructure project shall include:

5 (1) A detailed description of the qualified media
6 infrastructure project;

7 (2) A preliminary budget;

8 (3) A complete detailed business plan and market analysis;

9 (4) The estimated start and completion dates; and

10 (5) If the application is deemed incomplete by the
11 director, any additional information as may be
12 requested by the director prior to the taking of any
13 further action by the director.

14 (g) In order to receive financial assistance from the
15 proceeds of bonds issued under this section, the applicant shall
16 provide matching funds of one dollar for every dollar received
17 if the applicant's funds are comprised of entirely
18 nongovernmental sources of funds, including EB-5 investments;
19 provided that the applicant shall provide matching funds of
20 twenty cents for every dollar received if the applicant's funds
21 are comprised in part of funds derived from a county or other
22 governmental entity.



1 (h) No applicant shall receive financial assistance under
2 this section unless the applicant agrees to submit to a
3 financial and management audit conducted by the state auditor
4 upon the completion of the qualified media infrastructure
5 project.

6 (i) The director shall adopt rules to implement this
7 section.

8 (j) For the purposes of this section, a "qualified media
9 infrastructure project" means the development, construction,
10 renovation, or operation of a film, video, television, or media
11 production or post-production facility and the immovable
12 property and equipment related thereto, or any other facility
13 that supports and is a necessary component of the proposed
14 infrastructure project that is located in the State; provided
15 that the facility may include a movie theater or other
16 commercial exhibition facility to assist in offsetting operating
17 costs of the production or post-production facility, but shall
18 not include a facility used to produce pornographic matter or a
19 pornographic performance."

20 SECTION 3. New statutory material is underscored.

21 SECTION 4. This Act shall take effect on July 1, 2112.



Report Title:

Business Development in Hawaii; Motion Picture; Qualified Media Infrastructure Projects

Description:

Authorizes the Director of Business, Economic Development, and Tourism to issue revenue bonds for qualified media infrastructure projects. Creates a special fund for disbursement of funds. Requires matching funds and post-audits. Effective July 1, 2112. (HB1758 HD1)

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