
A BILL FOR AN ACT

RELATING TO THE CREATIVE MEDIA INDUSTRY.

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

1 SECTION 1. The legislature finds that the State must
2 diversify its economy in order to further economic
3 sustainability. While tourism is the pillar of Hawaii's economy
4 and agriculture is a resurging industry, the creative media
5 industry has been a boon to Hawaii's economy. For example, the
6 State generated \$180,000,000 in revenue from January to October
7 2011 and \$400,000,000 in revenue in 2010 as a result of film
8 production in the State. The film industry has also generated
9 numerous jobs for Hawaii residents.

10 Fostering the growth of the creative media industry will
11 further help to sustain and boost Hawaii's economy. One
12 economically-feasible way to support the creative media industry
13 is to lease public land to develop film studio and production
14 facilities. The legislature finds that this serves a public
15 purpose by promoting the economic development of the State
16 through job creation and revenue generation.



1 The purpose of this Act is to authorize the department of
2 land and natural resources to lease public land for purposes of
3 developing creative media facilities.

4 SECTION 2. Chapter 171, Hawaii Revised Statutes, is
5 amended by adding a new section to be appropriately designated
6 and to read as follows:

7 "§171- Creative media industry leases. (a) The
8 department may lease by direct negotiation and without recourse
9 to public auction, public lands for purposes of developing
10 creative media facilities.

11 (b) In addition to the provisions under section 171-36(a),
12 the following restrictions shall apply to all leases under this
13 section:

14 (1) A facility constructed on one parcel of land shall be
15 a minimum of one hundred thousand square feet;

16 (2) The initial lease term shall not be longer than fifty
17 years;

18 (3) An initial lease term may be renewed or extended at
19 the discretion of the department; and

20 (4) The department shall determine the lease rent, which
21 may include a percentage of revenues generated;
22 provided that the lease rent shall be less than the



1 appraisal value; and provided further that when
2 determining lease rent, the department shall consider
3 the returns resulting from the presence of the lessee,
4 including employment creation and revenues generated.

5 (c) The department shall adopt rules pursuant to chapter
6 91 for purposes of this section.

7 (d) As used in this section:

8 "Creative media" means any and all aspects of audio visual
9 arts, including but not limited to cinema, film, television,
10 digital media, computer-generated and hand-drawn animation, 2D
11 flash, 3D visual effects, post-production, web-series
12 distribution via the Internet, video games, massive multi-player
13 internet games, internet, and streaming.

14 "Creative media facilities" means facilities used for the
15 total or partial production of creative media.

16 "Post production" means production activities and services
17 conducted after principal photography is completed, including
18 but not limited to editing, film and video transfers,
19 duplication, transcoding, dubbing, subtitling, credits, closed
20 captioning, audio production, special effects (visual and
21 sound), graphics, and animation.



1 "Production" means a series of activities that are directly
 2 related to the creation of visual and cinematic imagery to be
 3 delivered via film, videotape, or digital media and to be sold,
 4 distributed, or displayed as entertainment or the advertisement
 5 of products for mass consumption, including scripting, casting,
 6 set design and construction, transportation, videography,
 7 photography, sound recording, interactive game design, and post
 8 production."

9 SECTION 3. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval;
 11 provided that the department of land and natural resources shall
 12 adopt administrative rules prior to issuing leases under this
 13 Act.

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INTRODUCED BY:

[Handwritten signatures and initials follow, including names like John M. ... and others.]

Report Title:

Creative Media; Negotiated Public Land Leases

Description:

Authorizes the Department of Land and Natural Resources to lease public lands for purposes of developing creative media production and post-production facilities by negotiation, without public auction.

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