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# 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 industry generated \$180,000,000 in revenue from January to  
7 October 2011 and \$400,000,000 in revenue in 2010 as a result of  
8 film production in the State. The film industry has also  
9 generated numerous jobs for Hawaii residents.

10           Fostering the growth of the creative media industry will  
11 further help to sustain and strengthen 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.

17           The purpose of this Act is to authorize the department of  
18 land and natural resources to lease public land for purposes of



1 developing creative media facilities by direct negotiation and  
2 without recourse to public auction.

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

6 "§171- Creative media industry leases. (a)

7 Notwithstanding the provisions of section 171-17, the department  
8 may lease public lands by direct negotiation and without  
9 recourse to public auction for purposes of developing creative  
10 media facilities.

11 (b) In addition to the restrictions provided under section  
12 171-36(a), the following restrictions shall apply to all leases  
13 under this 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 created and revenues generated.

5           (c) As used in this section:

6           "Creative media" means any and all aspects of audio visual  
7           arts, including cinema, film, television, digital media,  
8           computer-generated and hand-drawn animation, 2D flash, 3D visual  
9           effects, post-production, web-series distribution via the  
10          Internet, video games, massive multi-player internet games,  
11          internet, and streaming.

12          "Creative media facilities" means facilities used for the  
13          total or partial production of creative media.

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

20          "Production" means a series of activities that are directly  
21          related to the creation of visual and cinematic imagery to be  
22          delivered via film, videotape, or digital media and to be sold,



1 distributed, or displayed as entertainment or the advertisement  
2 of products for mass consumption, including scripting, casting,  
3 set design and construction, transportation, videography,  
4 photography, sound recording, interactive game design, and post-  
5 production."

6 SECTION 3. New statutory material is underscored.

7 SECTION 4. This Act shall take effect on July 1, 2020.



**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. Effective July 1, 2020. (HB2338 HD2)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

