

Honolulu, Hawaii

APR 05 2012

RE: H.B. No. 2338  
H.D. 2  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2012  
State of Hawaii

Sir:

Your Committees on Economic Development and Technology and Ways and Means, to which was referred H.B. No. 2338, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO THE CREATIVE MEDIA INDUSTRY,"

beg leave to report as follows:

The purpose and intent of this measure is to authorize the Department of Land and Natural Resources to lease public lands by direct negotiation and without recourse to public auction for purposes of developing creative media facilities, with some restrictions.

Prior to the hearing, your Committees made available a proposed S.D. 1, which deleted the contents of this measure and replaced them with language from S.B. No. 3050, S.D. 2, to:

- (1) Assign to the Hawaii Tourism Authority the responsibilities for film, television, digital, and new media development, including consolidated permit processing, and establish a film, television, digital, and new media development special fund;
- (2) Repeal the film industry activities within the Department of Business, Economic Development, and Tourism and make conforming amendments;



- (3) Require the Hawaii Tourism Authority to restructure the debt service for state obligations related to the Hawaii Convention Center; and
- (4) Appropriate funds from the savings from any such restructuring to be deposited into the film, television, digital, and new media development special fund for fiscal year 2012-2013 and fiscal year 2013-2014, and appropriate funds from the special fund to the Hawaii Tourism Authority for implementation of the film, television, digital, and new media development activities.

Your Committees received testimony in support of the proposed S.D. 1 from the Department of Business, Economic Development, and Tourism; Hawaii Tourism Authority; Group 70 International; and one individual. Your Committees received testimony in opposition to the proposed S.D. 1 from the Hawaii Film and Entertainment Board, SAG-AFTRA One Union, the International Alliance of Theatrical Stage Employees (IATSE) Mixed Local 665, the American Federation of Musicians (AFM) Local 677, and the Hawaii Teamsters Local 996. Your Committees received comments on the proposed S.D. 1 from the Department of Budget and Finance, Department of Human Resources Development, Department of Taxation, and Tax Foundation of Hawaii.

Your Committees find that this measure is one of several alternatives under consideration as the State evaluates the costs and benefits of the film and television production tax credits under Act 88, Session Laws of Hawaii 2006, as well as additional related tax credits and initiatives to encourage the continued growth of the industry.

Your Committees further find that the proposed S.D. 1 for this measure would provide a structure to optimize the development of the tourism and the film, television, digital, and new media industries by pooling diverse and fragmented resources to market and nurturing their growth. The proposed S.D. 1 would do so by creating a sound base that can be built upon to develop the programs and infrastructure to expand Hawaii's opportunities in film, television, digital, and new media.

Your Committees have amended this measure by adopting the proposed S.D. 1.



Your Committees are encouraged by the strong support for and interest in the various alternatives under consideration and urge the continued review and discussion of the merits of this and other measures before the Legislature.

As affirmed by the records of votes of the members of your Committees on Economic Development and Technology and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2338, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2338, H.D. 2, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on  
behalf of the members of the  
Committees on Economic  
Development and Technology and  
Ways and Means,

  
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DAVID Y. IGE, Chair

  
\_\_\_\_\_  
CAROL FUKUNAGA, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development and Technology**  
**EDT**

Bill / Resolution No.:* <b>HB 2338, HD2</b>	Committee Referral: <b>EDT/WAM</b>	Date: <b>4/3/12</b>
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The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:  
 Pass, unamended 2312     Pass, with amendments 2311     Hold 2310     Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.				✓
SOLOMON, Malama				✓
SLOM, Sam			✓	
<b>TOTAL</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>2</b>

Recommendation:  Adopted     Not Adopted

Chair's or Designee's Signature:

Distribution:                  Original                  Yellow                  Pink                  Goldenrod  
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\*Only one measure per Record of Votes

The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
HB2338 HD2	EDT/WAM	4-3-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	/			
KIDANI, Michelle N. (VC)	/			
CHUN OAKLAND, Suzanne	/			
DELA CRUZ, Donovan M.				/
ENGLISH, J. Kalani	/			
ESPERO, Will	/			
FUKUNAGA, Carol	/			
KIM, Donna Mercado	/			
KAHELE, Gilbert	/			
KOUCHI, Ronald D.	/			
RYAN, Pohai	/			
TOKUDA, Jill N.	/			
WAKAI, Glenn	/			
SLOM, Sam			/	
<b>TOTAL</b>	12	0	1	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: <i>Michelle N. Kidani</i>				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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