



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-SIXTH LEGISLATURE, 2012**

ON THE FOLLOWING MEASURE:

S.B. NO. 2111, S.D. 2, H.D. 1, RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT (PROPOSED).

BEFORE THE:

HOUSE COMMITTEE ON ECONOMIC REVITALIZATION AND BUSINESS

DATE: Thursday, March 15, 2012

TIME: 9:45 a.m.

LOCATION: State Capitol, Room 312

TESTIFIER(S): David M. Louie, Attorney General, or
Randall S. Nishiyama, Deputy Attorney General

Chair McKelvey and Members of the Committee:

The Department of the Attorney General has several legal concerns regarding the revenue bond provisions of this bill (section 2 of the bill).

This bill authorizes the Director of Business, Economic Development, and Tourism ("Director") to issue revenue bonds to assist individuals with qualified media infrastructure projects. In addition, this bill establishes the Qualified Media Infrastructure Projects Special Fund for the disbursement of the bond proceeds and other moneys. Also, this bill addresses various aspects of tax credits for motion picture, digital media, and film production.

First, the bill's revenue bonds do not appear to satisfy the Hawaii State Constitution's definition of "revenue bonds." Article VII, section 12, of the Hawaii State Constitution defines revenue bonds as follows:

7. The term "revenue bonds" means all bonds payable from the revenues, or user taxes, or any combination of both, of a public undertaking, improvement, system or loan program and any loan made thereunder and secured as may be provided by law, including a loan program to provide loans to a state property insurance program providing hurricane insurance coverage to the general public.

We note that there are no provisions in this bill regarding the source of repayment of the revenue bonds (e.g., from loan program revenues or regarding the security for the bonds).

Second, even if this bill authorizes "revenue bonds," and notwithstanding the bill's recital that such revenue bonds do not count against the State's debt limit (page 2, lines 5-8), this bill

does not meet the "revenue bonds" requirements set out by the fourth paragraph of Hawaii State Constitution, article VII, section 13, regarding the exclusion of debt from the State's debt ceiling. Article VII, section 13, of the Hawaii State Constitution provides in pertinent part:

In determining the power of the State to issue general obligation bonds or the funded debt of any political subdivision under section 12, the following shall be excluded:

* * *

2. Revenue bonds, if the issuer thereof is obligated by law to impose rates, rentals and charges for the use and services of the public undertaking, improvement or system or the benefits of a loan program or a loan thereunder or to impose a user tax, or to impose a combination of rates, rentals and charges and user tax, as the case may be, sufficient to pay the cost of operation, maintenance and repair, if any, of the public undertaking, improvement or system or the cost of maintaining a loan program or a loan thereunder and the required payments of the principal of and interest on all revenue bonds issued for the public undertaking, improvement or system or loan program, and if the issuer is obligated to deposit such revenues or tax or a combination of both into a special fund and to apply the same to such payments in the amount necessary therefor.

Under this bill, the Director is not obligated to impose any rates, rentals, and charges for the benefits of the loan program, nor is the Director obligated to deposit any loan repayments into the special fund for application to the bond's debt service. Accordingly, revenue bonds issued under this bill would count against the State's debt limit.

Third, the matching funds provisions of subsection (g), of the new section being added by section 2 of the bill (page 3, lines 14-22), does not direct the deposit of the matching funds into the special fund or anywhere else. It is not clear where such moneys will go.

Fourth, under this bill, only "individuals" (page 2, lines 1-4) can qualify for assistance. This term is narrow in scope and it is not clear if this is the intention of the drafters of this bill to impose such a limitation.

Thank you for the opportunity to testify on this bill.



WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON ECONOMIC REVITALIZATION AND BUSINESS
ON
SENATE BILL NO. 2111, S.D. 2, PROPOSED H.D. 1

March 15, 2012

RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Senate Bill No. 2111, S.D. 2, Proposed H.D. 1, authorizes the Director of the Department of Business, Economic Development and Tourism to issue revenue bonds for qualified media infrastructure projects and creates the Qualified Media Infrastructure Projects Special Fund for disbursement of funds.

While the Department of Budget and Finance supports the intent to encourage the development of the film industry in Hawaii, as a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 2111, S.D. 2, Proposed H.D. 1, it is difficult to determine whether the fund will be self-sustaining because it is unclear if the qualified media infrastructure projects would be required to pay off the debt service of the revenue bond proceeds they receive.

A revenue stream consisting only of legislative appropriations, donations and interest would not be sufficient for the fund to be considered self-sustaining. This component of the program structure is important because the issuance of revenue bonds is governed by, and incorporates, many requirements on the revenue stream for the bonds.

I encourage the Legislature to scrutinize the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, Hawaii Revised Statutes.

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON ECONOMIC REVITALIZATION
AND BUSINESS
ON
SENATE BILL NO. 2111, S.D. 2

March 13, 2012

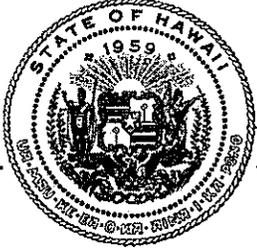
RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Senate Bill No. 2111, S.D. 2, amends the Motion Picture, Television and Digital Media tax credit; broadens the types of costs which may be counted toward the tax credit; amends the cap per qualified production; creates a new infrastructure tax credit; and creates a new Hawaii Film and Digital Media Special Fund.

While the Department of Budget and Finance appreciates the intent of the bill to support and grow the film and digital media industries in the State, we defer to the Departments of Taxation and Business, Economic Development and Tourism regarding the technical issues and merits of the bill.

However, as a matter of general policy, the department does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 2111, S.D. 2, it is difficult to determine whether the fund will be self-sustaining.

I encourage the Legislature to scrutinize the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, Hawaii Revised Statutes.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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NEIL ABERCROMBIE
GOVERNOR

RICHARD C. LIM
DIRECTOR

MARY ALICE EVANS
DEPUTY DIRECTOR

Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
**HOUSE COMMITTEE ON ECONOMIC REVITALIZATION
AND BUSINESS**

Thursday, March 15, 2012
9:45 a.m.
State Capitol, Conference Room 312
in consideration of
SB2111, SD2, PROPOSED HD1

RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Chair McKelvey, Vice Chair Choy, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) supports the intent of SB2111, SD2, Proposed HD1, which amends Chapter 201 HRS to establish a qualified media infrastructure program within DBEDT, restricting any disbursement of funds until after July 1, 2015, amends HRS 235-17 by adding unspecified percentages for wages and salaries of Hawaii State residents and expands the definition of applicable qualified expenditures for visual effects and animation, including internet distribution, and extends the sunset date to 2025.

We respectfully recommend changing Section 3, page 13, line 18 to read "includes an advertising message with internet distribution" to further clarify the inclusion of this method of distribution. In addition, we call to your attention, language regarding operations of facilities as qualified expenses and request in Section 2, item (j), the deletion of the word "operations" from the definition of "qualified media infrastructure project" as this aspect may significantly increase fiscal impacts to the State. DBEDT wants to point out that should any of the measures related to the existing tax credit or creation of an infrastructure credit pass, DBEDT's Hawaii Film Office would require additional staffing capacity to ensure the necessary support for these film-related programs, due to the potential increase in both production and infrastructure development activities. Thank you for the opportunity to testify on this measure.



**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**

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Statement of
RICHARD C. LIM
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC REVITALIZATION AND BUSINESS
Tuesday, March 13, 2012
8:30 a.m.
State Capitol, Conference Room 312

in consideration of
SB2111 SD2
RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Chair McKelvey, Vice Chair Choy, and Members of the Committee.

The Department of Business, Economic Development, and Tourism (DBEDT) offers comments on SB2111 SD2, which establishes the film and digital media special fund, proposes increases to the Motion Picture, Television and Digital Media refundable tax credit (HRS 235-17) from the existing base of 15% and 20%. This proposal also raises the cap on total tax claims to an unspecified amount per project, and changes the repeal date to January 1, 2027. The proposed draft also combines an infrastructure tax credit originally in SB2462 and other amendments.

We support the measure's intent to extend the sunset date for the tax credit and to allow greater access for applicable digital media projects. We believe this will go a long way towards expanding Hawaii's capability in this emerging sector. We also strongly support the inclusion of internet, mobile platform, and wireless distribution since this is the wave of the future for our industry.

The State's film program has very limited staff. Should there be any increase to our existing tax credit for film and digital media it will significantly increase the volume of production and digital media business, thereby increasing the need for additional funding to efficiently staff and manage the workload.

Thank you for the opportunity to testify on this measure.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Extend motion picture, digital media and film production credit; increase credit/credit ceiling, expand credit

BILL NUMBER: SB 2111, Proposed HD-1

INTRODUCED BY: House Committee on Economic Revitalization and Business

BRIEF SUMMARY: Amends HRS section 235-17 to provide that the motion picture, digital media, and film production income tax credit shall consist of the sum of all of the applicable: (1) ___% of the qualified production costs, other than wages and salaries of cast, crew, and musicians, incurred by a qualified production in any county with a population of over 700,000; (2) 20% of the qualified production costs, other than wages and salaries of cast, crew, and musicians, incurred by a qualified production in any county of 700,000 or less; (3) ___% of the wages and salaries of all cast, crew, and musicians that are included in the qualified production costs incurred by a qualified production in any county with a population of over 700,000; (4) ___% of the wages and salaries of all cast, crew, and musicians that are included in the qualified production costs incurred by a qualified production in any county with a population of 700,000; or less; and (5) ___% of the wages and salaries of cast, crew, and musicians who are Hawaii residents and are included in the qualified production costs incurred by a qualified production in the state.

Requires the department of business, economic development, and tourism (DBEDT) to submit a report to the governor and legislature at least 20 days prior to the convening of the regular sessions of 2015, 2020, 2025, and 2030 on the economic impact of the tax credit, with an estimate of the following for each year since 2012 or the last year covered by the preceding report: (1) capital from out-of-state expended in the state on qualified production costs; (2) total expenditures for qualified production costs in the state; (3) total full-time equivalent jobs created by qualified productions in the state; (4) number of those full-time equivalent jobs filled by residents of the state; (5) total wages and salaries paid in the state for qualified productions; (6) amount of the total wages and salaries paid in the state to residents of the state for qualified productions; and (7) any contributions resulting from qualified productions that DBEDT deems necessary including donations to improve the education and communities of the state. The report shall also include any other information that DBEDT deems necessary.

Increases the qualified production credit ceiling from \$8 million to \$___ million.

Amends the definition of "production" to include animation or special and visual effects and adds a definition of "animation."

Amends Act 88, SLH 2006, to extend its repeal date from January 1, 2016 to January 1, 2025.

Adds a new section to HRS chapter 201 to allow the director of DBEDT to issue up to \$25 million in revenue bonds to assist individuals with qualified infrastructure media projects. Also creates a qualified

media infrastructure projects special fund to provide financial assistance for qualified media infrastructure projects.

EFFECTIVE DATE: July 1, 2030; applicable to tax years beginning after December 31, 2112

STAFF COMMENTS: The legislature by Act 107, SLH 1997, enacted an income tax credit of 4% for costs incurred as a result of producing a motion picture or television film in the state and 7.25% for transient accommodations rented in connection with such activity. The credit was adopted largely to address the impost of the state's general excise tax on goods and services used by film producers. The exclusion of income received from royalties was initially established by Act 178, SLH 1999, as an incentive to attract high technology businesses to Hawaii. The original proposal would have applied to royalties and other income received from high technology businesses. This section of the law was later amended in 2000 by Act 297 which added the inclusion of royalties from "performing arts products" and was again amended by Act 221, SLH 2001, to include authors of "performing arts products."

The legislature by Act 88, SLH 2006, increased the 4% credit to 15% in a county with a population over 700,000 and to 20% in a county with a population of 700,000 or less. Act 88 also repealed the income tax credit for transient accommodations and expanded the credit to include commercials and digital media productions, and limited the credit to \$8 million per qualified production. While Act 88, SLH 2006, is scheduled to be repealed on January 1, 2016, this measure extends the repeal date to January 1, 2025. This measure also increases the motion picture, digital media, and film production income tax credit, increases the credit ceiling from \$8 million to \$___ million, and expands the definition of production to include animation.

The motion picture, digital media and film production credits have been morphing and expanding into full-blown tax credits since they "got their foot in the door" in 1997. It should be remembered that the perpetuation and expansion of motion picture credits are a drain on the state treasury. It is incredulous how lawmakers can bemoan the fact that there are insufficient resources to catch up on the backlog of school repairs and maintenance, to fund social programs and not being able to provide tax relief to residents and yet they are willing to throw additional public resources at a subsidy of film production and media infrastructure as proposed in this measure. Taxpayers should be insulted that lawmakers can provide breaks for film productions but refuse to provide tax relief for residents, many of whom work two or three jobs just to keep a roof over their head and food on the table.

There is absolutely no rational basis for increasing and continuing these tax credits other than that other states are offering similar tax credits. Then again, those states can't offer paradise, year-round good weather during which to film. Instead of utilizing back door subsidies through tax credits, film industry advocates need to promote the beauty that is synonymous with Hawaii.

Income tax credits are designed to reduce the tax burden by providing relief for taxes paid. Tax credits are justified on the basis that taxpayers with a lesser ability to pay should be granted relief for state taxes imposed. Sponsors try to make an argument that Hawaii needs to enact such incentives to compete for this type of business, one has to ask "at what price?" Promoters of the film industry obviously don't give much credit to Hawaii's natural beauty and more recently its relative security. Just ask the actors of "Lost" or "Hawaii 5-0" who have bought homes here if they would like to work elsewhere. While film producers may moan that they will lose money without the proposed tax credits, is there any offer to share the wealth when a film makes millions of dollars? If promoters of the film industry would just do

their job in outlining the advantages of doing this type of work in Hawaii and address some of the costly barriers by correcting them, such tax incentives would not be necessary. From permitting to skilled labor to facilitating transportation of equipment, there are ways that could reduce the cost of filming in Hawaii. Unless these intrinsic elements are addressed, movie makers will probably demand subsidies, such as this incentive. Unfortunately, they come at the expense of all taxpayers and industries struggling to survive in Hawaii. While lawmakers look like a ship of fools, movie producers and promoters are laughing all the way to the bank and the real losers in this scenario are the poor taxpayers who continue to struggle to make ends meet, a scenario akin to the bread and circus of ancient Rome.

So while there may be the promise of a new industry and increased career opportunities, lawmakers must return to the cold hard reality of solving the problems at hand. The long and short of it is that due in large part to the irresponsibility of handling state finances in the past, taxpayers cannot afford proposals like this. Thanks to the gushing generosity of those lawmakers who gave the state's bank away in all sorts of tax incentive schemes in recent years, taxpayers have had to bear increasing tax burdens.

It should be noted that this measure would make the film tax credit a permanent part of the state's tax code for just over 10 years with no opportunity to put the brakes on the credit should it be abused or should it not live up to the unbridled promises that the film industry has made to state policymakers. The real question is whether or not the state can sustain the kind of losses that such productions will claim against the state and will there be a way to alter the law should any of the criteria that is required to be reported under this measure not be met. It would appear more prudent to extend the credit for a shorter duration that would allow lawmakers to assess and evaluate whether incentives are still needed for these productions.

Instead of creating sustainable economic development incentives, the film tax credits waste moneys that could otherwise create an environment that is nurturing for all business activity, activity that lasts more than the six or eight months of a production. The overall tax burden could be lowered not only for families but for the businesses that provide long-term employment for Hawaii's people. Even national observers of the tax climate in the states criticize the effort to attract media productions with such tax incentives, noting that the jobs created are temporary and are usually low-paying for but the lead actors and the professional crew that is brought into the state from outside the state. Advocates, on the other hand, argue that these productions help to promote Hawaii as a visitor destination. While that may be true, it is the natural beauty of Hawaii that stands heads and shoulders above other locations and, therefore, the tax incentive is just the gravy, gravy that comes at the expense of all taxpayers in Hawaii.

Finally, while this measure also proposes to establish the qualified media infrastructure projects special fund, it should be remembered that the 1990 legislature directed the State Auditor to evaluate all special and revolving funds as of July 1, 1990 and recommend whether they should be continued or eliminated. The Auditor is also to examine any new or proposed special or revolving funds that would decrease general fund revenues. While the Auditor had a completion date of 1995, the review was completed in 1992. The Auditor's report noted that, "Special funds give agencies full control of these unappropriated cash reserves, provide a way to skirt the general fund expenditure ceiling, and over time erode the general fund. Many experts say that special funds are likely to hamper budget administration. And from a legislative perspective, they are less desirable because they are not fully controlled by the appropriation process."

Given the findings of the Auditor and the current financial crisis, it is quite clear that the creation of numerous special funds has eroded the integrity of state finances. Moneys in special funds are neither subject to the general fund expenditure limitation nor to the close scrutiny that general funds are subject to in the budgeting process. Special funds that earmark general fund revenues cannot be justified as they restrict budget flexibility, create inefficiencies, and lessen accountability. Further, as evidenced by recent legislative sessions, special funds have been raided in the search for additional revenues. The creation of another special fund by this measure cannot be justified.

Digested 3/13/12

TAXBILLSERVICE

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TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Increase motion picture, digital media and film production credit; infrastructure tax credit

BILL NUMBER: SB 2111, SD-2

INTRODUCED BY: Senate Committee on Ways and Means

BRIEF SUMMARY: **Motion picture, digital media, and file production income tax credit.** Amends HRS section 235-17 to provide that an additional credit of ___% of the qualified production costs paid to residents of the state and to Hawaii vendors and Hawaii suppliers. The credit may be recovered directly by the entity that incurred the qualified expenditures. The credit allowed under this section shall be claimed after all other tax credits available to the taxpayer have been claimed.

Allows a taxpayer eligible to claim a tax credit under this section to assign all or a portion of a tax credit under this section to any assignee who may subsequently assign a tax credit or any portion of a tax credit assigned under this subsection to one or more assignees. A taxpayer may claim a portion of a tax credit and assign the remaining tax credit amounts. A tax credit assignment under this subsection shall be irrevocable. Requires a taxpayer claiming a tax credit under this section to submit a copy of the completed assignment form to the department in the tax year in which the assignment is made and shall attach a copy of the form to the tax return on which the tax credit is claimed.

In order to qualify for the tax credit: (1) a qualified production shall have qualified expenditures totaling at least \$200,000 for a qualified production, or \$50,000 for a qualified digital media project or qualified independent and emerging media project; (2) provide marketing materials promoting the state as a tourist destination or film and digital media production destination, when appropriate, at no cost to the state, which shall include placement of a "Filmed in Hawaii" or "Produced in Hawaii" logo in the end credits; and (3) provide evidence of efforts to hire local talent and crew; provided that: (A) for a digital media project or an independent and emerging media project, at least 50% of the positions that make up the production cast and below-the-line production crew are filled by residents of this state or students enrolled full-time in a film-and-entertainment-related course of study at an institution of higher education in the state; or (B) for a production, beginning January 1, 2016, the percentage of positions in the production cast and below-the-line production crew to be filled by residents of this state shall be set at levels certified by the state as reflecting an appropriate workforce requirement, based on the prior three years' levels of aggregate wages and salaries paid for positions created by productions and projects that received tax credits under this section.

Permits the department of business, economic development, and tourism (DBEDT) to establish a fee of \$_____ to process the taxpayer letter and provide that the fee revenues shall be deposited into the Hawaii film and digital media special fund.

Increases the total tax credits that may be claimed per qualified production from \$8 million to \$_____ million.

Delineate provisions allowing the director of taxation to revoke or modify any written decision qualifying, certifying, or otherwise granting eligibility for tax credits under this section if it is discovered that the taxpayer submitted any false statement, representation, or certification in any application, record, report, plan, or other document filed in an attempt to receive tax credits under this section.

Requires DBEDT by December 31 of each year, to submit a report to the governor and the legislature that outlines the return on investment and economic benefits of the tax credits to the state, for the previous calendar year. The report shall also include an estimate of the full-time equivalent positions for residents of this state and aggregate wages and salaries paid for positions created by each production or project that received tax credits under this section and information relating to the distribution of productions receiving credits, by county and by type of production.

Defines “legal resident,” “qualified digital media project,” “qualified independent and emerging media project” for purposes of the measure.

This section shall be applicable to qualified production costs incurred on or after July 1, 2012 and before July 1, 2027.

Motion picture, digital media, and film production infrastructure income tax credit. Adds a new section to HRS chapter 235 to allow taxpayers to claim an income tax credit of ___% of the “qualified infrastructure costs” incurred by a qualified taxpayer in the state; provided that the tax credit claimed per project shall not exceed \$_____. To qualify for this tax credit, a qualified infrastructure project shall: (1) meet the definition of a qualified infrastructure project; (2) have qualified infrastructure costs totaling at least \$10 million; and (3) provide evidence that for the first two years of the infrastructure project credit, at least 60%, and thereafter, at least 70% of the positions are filled by legal residents of this state or students enrolled in a construction or related course of study at an educational institution in the state.

Delineate provisions requiring the taxpayer to prequalify for the credit by registering with DBEDT. Permits DBEDT to establish a fee of \$_____ to process the taxpayer letter and provide that the fee revenues shall be deposited into the Hawaii film and digital media special fund.

Defines “qualified infrastructure costs” as total costs incurred by a qualified infrastructure project including the costs of purchasing or leasing real property which are subject to HRS chapter 237 or 235 that have not been financed by any investments for which a credit was or will be claimed pursuant to HRS section 235-110.9. Defines “qualified infrastructure project” as a construction project in the state, for the development, construction, or renovation of a film, video, television, or media production or post-production facility and the immovable property and related equipment or any other facility that supports and is a necessary component of such infrastructure project.

The tax credit claimed under this section shall be repaid through an annual payment from the taxpayer equal to 15% percent of the qualified infrastructure project’s taxable income until such time as the tax credit has been repaid; provided that if the ownership of a qualified infrastructure project is transferred, the transferee shall be obligated to the terms of the recapture.

If the infrastructure project ceases to be a qualified infrastructure project, the credit claimed under this section shall be recaptured with the amount of the recaptured tax credit added to the taxpayer's tax liability for the taxable year in which the recapture occurs.

Credits in excess of a taxpayer's income tax liability shall be refunded provided such amount is over \$1. Requires all claims for a tax credit, including amended claims, to be filed on or before the end of the twelfth month following the close of the taxable year for which the tax credit may be claimed. Failure to comply with the foregoing provision shall constitute a waiver of the right to claim the tax credit. Directs the director of taxation to prepare the necessary forms to claim a credit, may require the taxpayer to furnish information to validate a claim for credit, and adopt rules pursuant to HRS chapter 91. In the case of a partnership, S corporation, estate, or trust, the tax credit allowable is for qualified infrastructure costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of the credit shall be determined by rule.

Requires DBEDT to submit an annual report by December 31 for the previous fiscal year to the governor and the legislature that outlines the return on investment and economic benefits of the tax credits to the state, including an estimate of the full-time equivalent positions for legal residents of this state and aggregate wages and salaries paid for positions created by each qualified infrastructure project that received tax credits under this section along with information relating to the distribution of qualified infrastructure projects receiving credits, by county and by type of project.

The tax credit for qualified infrastructure costs shall be applicable to tax years beginning after June 30, 2012 and before January 1, 2027.

Amends Act 88, SLH 2006, to provide that the motion picture, digital media and film production income tax credit shall be applicable to qualified expenditures incurred on or after July 1, 2006.

Appropriates \$_____ in general funds for fiscal year 2013 to DBEDT for additional resources and staffing support to assist state agencies in collecting and reporting annually on estimates of the full-time equivalent positions for Hawaii residents by each production receiving tax credits, aggregate wages and salaries paid to Hawaii residents in prior years, as well as distribution of productions receiving credits, by county and type of production.

Appropriates \$_____ in general funds for fiscal 2013 to the department of accounting and general services for additional resources and staffing support for the office of information management and technology to assist state agencies in collecting and reporting annually on estimates of the full-time equivalent positions for Hawaii residents by each production receiving tax credits, aggregate wages and salaries paid to Hawaii residents in prior years, as well as distribution of productions receiving credits, by county and type of production.

Establishes a Hawaii film and digital media special fund into which shall be deposited: (1) legislative appropriations; (2) donations and contributions made by private individuals or organizations; (3) grants provided by governmental agencies; (4) fees collected pursuant to HRS section 235-17; and (5) quarterly payments equal to 2% of the total aggregate wages and salaries paid to legal residents of this state beginning on July 1, 2013.

Repeals HRS chapter 201, part IX which establishes the Hawaii television and film development board and special fund.

Repeals this act on January 1, 2027 and provides that HRS section 235-17 shall be reenacted in the form in which it read on the day before the effective date of Act 88, SLH 2006.

EFFECTIVE DATE: July 1, 2050

STAFF COMMENTS: The legislature by Act 107, SLH 1997, enacted an income tax credit of 4% for costs incurred as a result of producing a motion picture or television film in the state and 7.25% for transient accommodations rented in connection with such activity. The credit was adopted largely to address the impost of the state's general excise tax on goods and services used by film producers. The exclusion of income received from royalties was initially established by Act 178, SLH 1999, as an incentive to attract high technology businesses to Hawaii. The original proposal would have applied to royalties and other income received from high technology businesses. This section of the law was later amended in 2000 by Act 297 which added the inclusion of royalties from "performing arts products" and again amended by Act 221, SLH 2001, to include authors of "performing arts products."

The legislature by Act 88, SLH 2006, increased the 4% credit to 15% in a county with a population over 700,000 and to 20% in a county with a population of 700,000 or less. Act 88 also repealed the income tax credit for transient accommodations and expanded the credit to include commercials and digital media productions, and limited the credit to \$8 million per qualified production.

This measure proposes an additional tax credit of a percentage of the qualified production costs paid to residents of the state, Hawaii vendors and Hawaii suppliers. The measure also increases the limit of tax credits that may be claimed per qualified production from \$8 million to \$___ million and establishes a motion picture, digital media, and film production infrastructure tax credit. These credits have been morphing and expanding into full-blown tax credits since they "got their foot in the door" in 1997. It should be remembered that the perpetuation and expansion of motion picture credits are a drain on the state treasury. It is incredulous how lawmakers can bemoan the fact that there are insufficient resources to catch up on the backlog of school repairs and maintenance, to fund social programs and not being able to provide tax relief to residents and yet they are willing to throw additional public resources at a subsidy of film production and media infrastructure as proposed in this measure. Taxpayers should be insulted that lawmakers can provide breaks for film productions but refuse to provide tax relief for residents, many of whom work two or three jobs just to keep a roof over their head and food on the table.

Income tax credits are designed to reduce the tax burden by providing relief for taxes paid. Tax credits are justified on the basis that taxpayers with a lesser ability to pay should be granted relief for state taxes imposed. Sponsors try to make an argument that Hawaii needs to enact such incentives to compete for this type of business, one has to ask "at what price?" Promoters of the film industry obviously don't give much credit to Hawaii's natural beauty and more recently its relative security. Just ask the actors of "Lost" or "Hawaii 5-0" who have bought homes here if they would like to work elsewhere. While film producers may moan that they will lose money without the proposed tax credits, is there any offer to share the wealth when a film makes millions of dollars? If promoters of the film industry would just do their job in outlining the advantages of doing this type of work in Hawaii and address some of the costly barriers by correcting them, such tax incentives would not be necessary. From permitting to skilled labor to facilitating transportation of equipment, there are ways that could reduce the cost of filming in

Hawaii. Unless these intrinsic elements are addressed, movie makers will probably demand subsidies, such as this incentive. Unfortunately, they come at the expense of all taxpayers and industries struggling to survive in Hawaii. While lawmakers look like a ship of fools, movie producers and promoters are laughing all the way to the bank and the real losers in this scenario are the poor taxpayers who continue to struggle to make ends meet, a scenario akin to the bread and circus of ancient Rome.

So while there may be the promise of a new industry and increased career opportunities, lawmakers must return to the cold hard reality of solving the problems at hand. The long and short of it is that due in large part to the irresponsibility of handling state finances in the past, taxpayers cannot afford proposals like this. Thanks to the gushing generosity of those lawmakers who gave the state's bank away in all sorts of tax incentive schemes in recent years, taxpayers have had to bear increasing tax burdens.

Robert Tannenwald, a senior fellow at the Center for Budget and Policy Priorities, drew the following conclusions in a report entitled "State Film Subsidies Offer 'Little Bang for the Buck'," published in State Tax Notes Magazine, December 13, 2010:

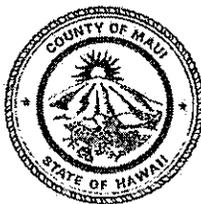
"State film subsidies are a wasteful, ineffective, and unfair instrument of economic development. While they appear to be a 'quick fix' that provides jobs and businesses to state residents with only a short lag, in reality they benefit mostly nonresidents, especially well-paid nonresident film and TV professionals. Some residents benefit from these subsidies, but most end up paying for them in the form of fewer services - such as education, healthcare and police and fire protection - or higher taxes elsewhere. The benefits to the few are highly visible; the costs to the majority are hidden because they are spread so widely and detached from the subsidies.

State governments cannot afford to fritter away scarce public funds on film subsidies, or, for that matter, any other wasteful tax break. Instead, policymakers should broaden the base of their taxes to create a fairer and more neutral tax system. Economic development funds should be targeted on programs that are much more likely to be effective in the long run, such as support of education and training, enhancement of public safety, and maintenance and improvement of public infrastructure. Effective public support of economic development may not be glamorous, but at its best, it creates lasting benefits for residents from all walks of life."

There is absolutely no rational basis for expanding and continuing these tax credits other than that other states are offering similar tax credits. Then again, those states can't offer paradise, year-round good weather during which to film. Instead of utilizing back door subsidies through tax credits, film industry advocates need to promote the beauty that is synonymous with Hawaii. Instead of creating sustainable economic development incentives, the film tax credits waste moneys that could otherwise create an environment that is nurturing for all business activity, activity that lasts more than the six or eight months of a production. The overall tax burden could be lowered not only for families but for the businesses that provide long-term employment for Hawaii's people.

Digested 3/9/12

ALAN M. ARAKAWA
MAYOR



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OFFICE OF THE MAYOR

Ke'ena O Ka Meia
COUNTY OF MAUI – Kalana O Maui

TO: The Honorable Angus McKelvey, Chair
Honorable Isaac Choy, Vice Chair
Honorable Members of the Committee on Economic Revitalization &
Business

FROM: Alan Arakawa, Mayor *aa*
County of Maui

HEARING: Economic Revitalization & Business
Tuesday, March 13, 2012
8:30 a.m.
Room 312

SUBJECT: TESTIMONY OF MAUI COUNTY MAYOR ALAN ARAKAWA ON SB 2111
(S.D. 2) RELATING TO FILM AND DIGITAL MEDIA INDUSTRY
DEVELOPMENT

Thank you for this opportunity to offer our testimony and support for SB2111 (S.D. 2) relating to Film and Digital Media Industry Development.

As you know, my administration has made it clear that we support *HB1308 (HD 2, SD 2, CD 1, Proposal)*, which remains in conference from last session, as it includes an infrastructure income tax credit component which we believe will assist in establishing a film industry.

That being said, my administration can **support** SB2111 (S.D. 2) for the following reasons:

1. It includes a "Motion picture, digital media, and film production infrastructure income tax credit";
2. It includes increases to the "Motion picture, digital media, and film production income tax credit"; and,
3. The proposed infrastructure credit is tied to the hiring of residents of the State of Hawaii.

Reasons:

- 1) The proposed bill will benefit the entire State of Hawaii by bringing a new industry to the state, and thereby diversifying and stimulating our economy, creating new jobs for our residents, and producing long-term opportunities for our children through training/deeming programs.
- 2) According to presentations made to the legislature during last year's session, (a) each stage built in the State of Hawaii would inject nearly \$140 million into our economy via the hiring of local labor and purchasing materials locally over a two year period; and, (b) Each movie filmed in Hawaii (i.e. \$90 million budget) would create approximately 193 local jobs immediately.
- 3) An infrastructure tax credit is especially important to Maui County (and, the neighbor islands) as outside of the City & County of Honolulu, there isn't a single: soundstage, post-production facility; nor camera equipment rental houses; etc.
- 4) Our own research shows that on March 5, 2011, the governor of Puerto Rico signed a new law that increased the amount of its existing tax credits. In passing the law, the PR Film Commissioner announced that in 2010, 12 projects were filmed on the island, creating 17,528 jobs and 22,671 hotel nights. Nearly \$70 million was said to have been injected into their local economy through a dozen movies, TV series, and documentaries.



To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee

From: Monica Roberts, CEO
The Hollywood Hawaii Media Alliance

Date: March 13, 2012

Re: **Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, HD2**

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Monica Roberts. I am the founder and CEO of The Hollywood Hawaii Media Alliance. I am also a broadcast media specialist, a marketing communications consultant and a film/video producer. I have worked and conducted business in Hawaii since 1996.

I STRONGLY SUPPORT the spirit and intent of SB2111, HD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

The Hollywood Hawaii Media Alliance is a creative community evolution driven by the power and ability of each person to influence the culture they live in. As a collaborative business venture, we are advocates for the business-related growth of the creative industries affiliated with the arts, music, sports, television, film production and digital media originating in Hawaii. Our early initiatives include offering tiered membership packages, supporting the building of a full-scale production studio, attracting outside investing for special creative projects and developing a creative industry incubator program focused on:

- ✓ Supporting diversification of Hawaii's economy into high growth industries.
- ✓ Providing support for early stage entrepreneurial creativity businesses.
- ✓ Offering internships and educational outreach in support of Hawaii's diverse population.
- ✓ Creating a platform for creativity worker job creation as a major export industry.
- ✓ Cultivating human capital and an attractive environment for global creativity industry (i.e. film production, digital media, cultural products and services).



- ✓ Draw investors to invest in Hawaii due to commercially viable intellectual property.
- ✓ Provide entrepreneurial coaching to align and optimize leadership development, strategy and organizational development with host culture.
- ✓ Provide expert guidance and strategies to accelerate market traction and job growth in creativity companies in Hawaii.
- ✓ Promote Hawaii as a global destination and learning hub for executive education (transformation leadership, team building, strategic planning for creativity advantage, etc.).
- ✓ Provide community outreach mentor and education programs (at-risk teens, veterans and families, families with children with autism).

As a business owner and creative person living in Hawaii, I am motivated to promote the growth of the film industry in an effort to create an opportunity to live the life I want to lead. I believe Hawaii has no lack of talent but it does currently lack skilled, high-paying job opportunities. In challenging times such as these, and those that will undoubtedly come again, Hawaii's policy makers and economy advocates should value and invest in creative enterprises and professionals for expeditious growth now. This applies also to the arts education and cultural participation for long-term sustainable local talent cultivation. The current economy mandates smart solutions. Creativity has to be part of our big picture to promote future economic growth and sustainable job creation. Typically, the development of advanced technologies to increase productivity is seen as the road to better jobs. This bill also supports a clean, non-polluting industry, of which Hawaii can be proud.

By bridging the arts and entertainment to other sectors of the local economy – we can see why and how the creative sectors are essential partners in advancing not only the economy but social health, education and of course, Hawaii's rich cultural vibrancy. Regions and States develop a competitive advantage when they attract creative people because creative thinkers provide the seeds of innovation from which germinate economic growth.

For example, when a movie is filmed, actors, costume designers, and special effects creators benefit, but so do persons working in industries as disparate as food services, security, transportation and florists. Creativity also serves to build both brand awareness, and an attractive vacation environment to entice tourists and other talented people to come to Hawaii.



The creative economy is even more powerful considering its high multiplier effect on other aspects of Hawaii's economic growth potential. For example, the allure and substance of art, design and entertainment in Hawaii would enhance tourism and can add the incremental growth of 'cultural tourists' who are known to visit longer and spend more money.

I am optimistic that great professional jobs can be provided and that SB2111 will illuminate the multiple dimensions of our local creative capital that can sustain and grow local jobs in a wide arrange of categories. The list of services anticipated to fuel local jobs that can be expected to thrive with a more vibrant and active creative arts, film, digital media and entertainment industry presence in the Hawaiian Islands include:

(Note: Approximately 74 professional & support services are listed in alphabetical order)

- Accountants / Payroll Services
- Advertising Agencies and Marketing Firms
- Architectural, Interior Design, Landscape design services
- Airlines
- Automobile Rentals
- Broadcasting and Cable Network Programming
- Catering
- Charters (boats, bus, air)
- Childcare Services
- Commercial Construction
- Communications
- Crew Members: Construction, Electrical, Lighting, etc.
- Creative Education and Training Institutes / Workshops
- Digital Media
- Diving / Scuba
- Dry Cleaners / laundry services fabric specialties
- Event Planning
- Extras: Cast Members
- Fashion / Retail Services / Resort Stores & Hawaiian
- Festivals
- Financial Services / Banking
- Florists
- Food Services / Restaurants
- Freight Services
- Furniture / Home Furnishings
- Graphic Design Services
- Hair Stylists and Hair Salons



- Healthcare
- Hotels & other accommodations
- Housing / Real Estate Markets
- Hula Teachers & Dancers
- Independent Artists, Writers and Performers
- Insurance Services
- Language services translation
- Legal Services / Attorneys
- Leisure and Hospitality Industry
- Local Entertainment, Night clubs, Bars and Theatres
- Location Managers / Scouts
- Makeup Artists
- Mail Services
- Marine Consultants & equipment
- Military Personnel
- Motion Picture/Video Production
- Musicians
- News Media
- Non Profits
- Pet Industry & Suppliers: Animal Trainers
- Outrigger Canoes
- Photographers
- Printing – Offset, digital, wide format
- Product / Industrial Design
- Producers & Independent Production Studios
- Professional Sports Teams / Franchises
- Publicists
- Professional and Business Services
- Research Technical Advisors
- Retail Sales and Apparel
- Seamstress
- Signage: banners, vehicle graphics
- Social Services, Therapists and Counselors
- Sports Trainers and Athletes
- Sound Recording
- Spa Services, Massage Therapists
- Storage Spaces
- Stunt Companies
- Talent Agencies



- Technology Companies
- Truck and Motorcycle Rentals and Helicopter Rentals
- Union Members: Talent, Crew, SAG, etc.
- Visual and Performing Arts Companies
- Web / Internet Designers
- Wedding / Chapel Services & Locations
- Wellness and Holistic Service Providers
- Wine and Liquor/Spirits Distributors

In summary, the local job opportunities associated with a growing film industry in Hawaii represents our ability to create an economic engine for the State. It will do so by generating thousands of full-time jobs, attracting new employers, encourage small business growth and development for professional business services. Every job in the creative sector supports or sustains other indirect jobs in the area. To be clear, *direct employment* is created for those who actually work in the creative industries to support motion picture, digital media, film, and television productions. *Indirect employment* is created when firms in these industries make purchases from their suppliers and vendors, as can be seen from the list provided above. A strong multiplier effect is induced when the direct and indirect workers spend their wages on consumer goods and services in Hawaii – and becomes another source of State tax revenues.

In conclusion, SB 2111 offers another excellent opportunity to further Hawaii's plan for economic self-sufficiency rather than relying predominantly on federal military spending and tourism. SB2111 also has the potential to increase State revenues significantly, thereby benefiting local families, schools, businesses and communities. SB2111 is an excellent opportunity for Hawaii to plan for a self-sustaining future by promoting internal growth that capitalizes on our natural resources such as, year-round mild climates, stunning tropical island scenes, diverse topography and convenient geography, local creative and crew talent, ethnic diversity amongst our population as well as showcasing Hawaii's 'aloha spirit' worldwide. The power of Hollywood to provide a unique marketing arm to supplement the promotion of Hawaii's tourism industry is limitless. SB2111 is a dynamic bill that can sow the seeds of prosperity for future generations by offering greater economic opportunities for the people of Hawaii.

I personally encourage you to support this groundbreaking initiative.

Your Respectful Constituent,

Monica Roberts



**Testimony to the House Committee on Economic Revitalization and Business
Tuesday, March 13, 2012 at 8:30 a.m.
Conference Room 312, State Capitol**

**RE: SENATE BILL NO. 2111 SD2 RELATING TO FILM AND DIGITAL
MEDIA INDUSTRY DEVELOPMENT**

Chair McKelvey, Vice Chair Choy, and Members of the Committee:

The Chamber of Commerce of Hawaii ("The Chamber") respectfully requests that the committee pass SB 2111 SD2 for further discussion.

The Chamber is the largest business organization in Hawaii, representing more than 1,000 businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the "Voice of Business" in Hawaii, the organization works on behalf of its members, which employ more than 200,000 individuals, to improve the state's economic climate and to foster positive action on issues of common concern.

The Chamber supports initiatives and industries that will attract business and jobs to our State. One of the industries that appear to have a growing presence is film. This industry has steadily been establishing a job base, marketing and exposing Hawaii to an international audience, and providing commerce to many of our businesses, especially small ones. Furthermore, the various locations where movies and television shows have been filmed have created an additional attraction for visitors, thus contributing to the tourism industry.

As such, the Chamber supports legislation that provides incentives to attract, retain and grow industries as well as workforce in Hawaii. The extension provided in these bills will help generate and maintain a higher number of jobs per tax dollar, generate higher tax revenues for dollar spent, and stimulate significantly more economic activity in the state per dollar of tax credit. Also, the credit will strengthen the State's effort to compete with other destinations in the national and international arena, and help broaden and diversify Hawaii's economic base.

Thank you for the opportunity to provide comments.



March 14th, 2012

TO: Rep. Angus L.K. McKelvey, Chair
Rep. Isaac W. Choy, Vice Chair
Rep. Karen L. Awana
Rep. James Kunane Tokioka
Rep. Tom Brower
Rep. Cliff Tsuji
Rep. Cindy Evans
Rep. Barbara C. Marumoto
Rep. Mark J. Hashem
Rep. Kymberly Marcos Pine
Rep. Scott Y. Nishimoto
Members of the Committee on Economic Revitalization & Business

DATE: Thursday, March 15, 2012
TIME: 9:45 a.m
PLACE: Conference Room 312, State Capitol

Re: SB 2111 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT.

FROM: Todd J. Robertson, President/CEO
Hyperspective Studios, Inc.

Hyperspective Studios, Inc. is in support of the intent of SB 2111 relating to film and digital media industry development because we believe that such a bill will foster expanded growth of the film industry as well as development of a new and emerging digital media industry in Hawaii.

Hyperspective Studios, founded in April 1996, has been headquartered in Hawaii since 1999 and produces digital media projects including animation, visual effects, interactive media and film. The company has produced award winning media for several Hawaii companies as well as large domestic and international projects, with a large portion of it's revenue coming from the export of digital media.

Hyperspective currently employs 8 to 11 specialists and technicians, and is currently hiring three additional positions. The company regularly hires 10 to 30 or more subcontractors annually within the state of Hawaii. The company expects to increase it's workforce by 40% in 2012, with a steady increase of job openings over the next four years. SB2111 will greatly support and assist that growth and development.

The digital media production workforce largely overlaps and supports the film industry through visual effects, animation, post-production and stereography. I believe that digital media sector shows great potential for growth within the film and digital media industry in Hawaii. Digital media workers are those who are highly skilled and talented individuals. The digital media industry not only requires creative development teams to write scripts,



create digital artwork and music, but employes technicians who are skilled in 3D technologies, information technology, computer science, engineering and programming.

The benefits that SB2111 will bring to Hawaii-based companies will help develop a new industry with a massive potential for growth and sustainability. The interactive media/game industry was measured at USD \$10.3 Billion domestically in 2004. The industry has shown rapid growth since then to UDS \$65 Billion in 2011 and is expected to continue this pattern of growth for years. Fostering growth of this industry in Hawaii has the prospective to create a large volume of high quality jobs within an industry that can become a pillar of Hawaii's economy.

Some changes were made to SB2111 in HD1 that could have a significant negative impact on local digital media and independent and emerging media projects. Definitions of qualified digital media and independent and emerging media projects as well as a lower threshold of \$50,000 for those types of projects were removed in HD1.

We believe it is essential to add definitions for digital media and independent and emerging media in conjunction with a lower qualification threshold of \$50,000, because this will provide expanded opportunity for Hawaii-based companies to develop intellectual property that create potential for successful sales of digital products. Companies that produce digital media and independent media projects typically spend less in initial development than film and television, but have a huge potential for profit. (please see Exhibit A for examples)

Digital media projects are not variable-location-based. They require computer hardware and software infrastructure development and once built, do not quickly move. Therefore, digital media projects provide a long-term, sustainable opportunity for jobs and development of products, while maintaining a work-force of Hawaii residents.

I believe that by adding definitions for digital media, digital media projects, independent and emerging media projects in conjunction with a lower qualification threshold of \$50,000 for these projects will foster growth of a strong, sustaining digital media industry that will provide opportunities to create high quality jobs within the state of Hawaii.

This bill with our proposed amendments will help foster and grow a strong digital media industry that will provide opportunities to create high quality jobs within the state of Hawaii.

Thank you very much for the opportunity to testify.



Exhibit A:

The following digital media game projects are a few examples of how small teams with relatively low budgets can create large success, illustrating the need to lower the qualification threshold:

Title: *Minecraft*

Two-developer team, under one year of development.
1,717,096 sales as of march 28th 2011, USD\$32 million.
Current valuation of property is USD\$84.2 million.

Title: *Amnesia: Dark Descent*

Two-developer team.
391,102 units sold, USD\$7.8 million.

Title: *Terraria*

Two-developer team.
Over 1,000,000 copies sold, USD\$10-15 million.

Title: *Limbo*

Two-developer team.
Over 1 million copies sold, USD\$15 million.

2/2



March 14th, 2012

Re: Proposed Amendments to SB 2111 HD1 RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT.

Hyperspective believes that it is not only important to support the digital media industry with changes proposed in SB2111 SD1, but also believes that it would be important to make the following changes and additions to the bill:

1. In Section 3.b.2, **ADD** the statement [**or \$50,000 for a qualified digital media project or qualified independent and emerging media project**]
2. **ADD the following definitions:**
 - "Qualified digital media project" means development of animation, graphics, visual effects, related sound recordings, post production, and interactive media for entertainment and education in any and all formats, now existing, or hereafter developed that is produced for distribution in commercial or educational markets, including but not limited to applications for electronic devices, now existing, or hereafter developed, video games and productions intended for game platform, physical media, internet or wireless distribution.
 - "Qualified independent and emerging media project" means a qualified production of film, video, television, or interactive entertainment that is produced for distribution in commercial or educational markets, including but not limited to feature film, short film, television show, television series, a video game or production intended for game platform, physical media, internet, or wireless distribution.



March 14th, 2012

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 - "Qualified independent and emerging media project" means a qualified production of film, video, television, or interactive entertainment that is produced for distribution in commercial or educational markets, including but not limited to feature film, short film, television show, television series, a video game or production intended for game platform, physical media, internet, or wireless distribution.

2/15



Tetris Online, Inc.
55 Merchant Street, Suite 2100
Honolulu, Hawaii 96813

March 12th, 2012

TO: Rep. Angus McKelvey, Chair
Rep. Isaac Choy, Vice Chair
Members of the Committee on Economic Revitalization & Business

DATE: Tuesday, March 13th, 2012
TIME: 8:30 A.M.
PLACE: Conference Room 312, State Capitol

Re: S.B. No. 2111, SD2 – Relating to Film and Digital Media Industry Development

FROM: Dean Hirata, CFO, Tetris Online, Inc.
Michael J.W. Chun, Marketing Manager, Tetris Online, Inc.

Tetris Online, Inc. continues to support the intent of SB 2111, SD2 – Relating to Film and Digital Media Industry Development

Today, Tetris Online employs over 50 people in Hawaii. Nationwide, competition for digital media employees is fierce, which makes it increasingly difficult to attract and retain employees, even the ones who have strong family ties to the islands. SB 2111, SD2 will help create and retain jobs in Hawaii, while increasing the state's revenues. This bill will support Hawaii's small local companies in the digital media industry so they can continue to flourish and provide jobs for Hawaii's talented workforce.

We would like to suggest the following change:

Modify the definition of "Qualified Production" to include the digital media industry

Page 18, Lines 3 - 4

CURRENT: "Qualified Production" (1) Means a production

PROPOSED: "Qualified Production" (1) Means a production or a qualified digital media project

It is essential that the bill's definition of "qualified production" include the new addition of "qualified digital media project" as defined. Otherwise, such additions of such terms to the bill will not be included in the definition of a "qualified production" specified in subsection (o) as required as the initial step in getting the tax credit.

Thank you very much for the opportunity to testify.

TESTIMONY IN SUPPORT OF SB 2111
Relating to Film and Digital Media Industry Development

COMMITTEE ON ECONOMIC REVITALIZATION & BUSINESS

Rep. Angus L.K. McKelvey, Chair

Rep. Isaac W. Choy, Vice Chair

Rep. Karen L. Awana

Rep. Tom Brower

Rep. Cindy Evans

Rep. Mark J. Hashem

Rep. Scott Y. Nishimoto

Rep. James Kunane Tokioka

Rep. Clift Tsuji

Rep. Barbara C. Marumoto

Rep. Kymberly Marcos Pine

DATE: Tuesday, March 13, 2012

TIME: 8:30 a.m.

PLACE: Conference Room 312

State Capitol

415 South Beretania Street

House Committee on Economic Revitalization and Business

Chair McKelvey, Vice Chair Choy, Members of the Committee,

Thank you for the opportunity to testify today in support of SB 2111, relating to Film and Digital Media Industry Development.

My name is Chris Lee and as a private citizen, motion picture producer, and the Founder and Director of the Academy for Creative Media at UH, I thank you for your past efforts to build this vital industry through our existing incentives and workforce development such as the ACM.

You will be pleased to know that ACM Manoa has over 235 majors, that numerous digital media companies have been started by our graduates and many have joined the local production unions keeping our students here in the islands.

This bill, and a number of others similar to it introduced this session, has the opportunity to exponentially expand Hawaii's film, television, and digital media industries providing far more living wage jobs for our talented, local workforce and IP creators.

In 2010, Hollywood spent over \$400 million dollars in Hawaii producing an unprecedented number of films, including the Oscar-nominated *The Descendants*, *Pirates of the Caribbean 4*, *Journey to the Center of the Earth 2*, *Battleship*, *Just Go With It*, *Soul Surfer*, *Hereafter*, and *The Tempest* as well as the television series *Hawaii Five-O* and *Off the Map*.

As impressive as that number is, we left a lot of money and jobs on the table.

Why? Because we did not have the studio space, post production or visual effects facilities to provide the full services this industry demands. Why are we willing to settle for half of the pie?

Big-budget pictures like *Pirates 4*, *Battleship*, and *Journey 2* shot their exteriors here, but then went to places like North Carolina, Los Angeles and Louisiana to build their sets, shoot their interiors, and execute post production, including one of the biggest parts of any blockbuster's budget, special effects. Worse, television shows like Steven Spielberg's *Terra Nova* had to shoot in Australia because we did not have the capacity to accommodate them here.

This \$400 million dollar year was not an anomaly.

This was a clear indication that Hawaii could have a billion dollar industry – generated both from Hollywood and locally – through the right combination of responsible incentives, dedicated infrastructure, broader development of our own IP workforce, and a global perspective.

This industry is not a fad but also not something that will just happen without the active management of our state. It's already a winner for us. The right incentives are an investment that ripple through our economy and provide an international marketing advantage for our number one industry, tourism. We enjoy a natural competitive advantage with our talented local students and a lifestyle that few locations can offer the discerning creative classes.

But to put the question a different way, what else is there? What else can we manufacture that doesn't require the importation of raw materials and the shipping of hard goods? What other industry is both protective of our environment and helps to drive tourism? What else both captivates the imagination of our students and has the ability to keep them in Hawaii?

What other alternative industry that this state has invested in over the last ten years has ever had a \$400 million year?

While everyone's been wondering how Hawai'i builds a sustainable alternative to our government/construction/service-employee economy, it's time to recognize that Hawai'i is already generating and keeping an indigenous creative class.

But we need to grow the pie.

SB 2111 and others like it have the chance to transform our production capacity and move us beyond the “feast or famine” mentality that has characterized our traditional location driven film and television industry.

Hawaii has been blessed with long running shows filmed entirely in our state, starting with Five-0, Magnum, Five-0 2.0 and soon, hopefully, The River. Our blue skies, beaches and jungles along with a great crew base make us the premiere tropical location in the world, and give us a base line of production activity.

But the absence of dedicated studio space save for the single stage at Diamond Head which can only accommodate one show at a time leaves producers scrambling for landlords willing to repurpose existing structures – as with the old Advertiser building being the home of Five-0, the old Comp USA being where they built Queens Hospital for The Descendants, and most recently the new ABC/Sony series setting up shop inside Olelo in Mapunapuna.

But building studio stages doesn't just mean pictures can shoot here longer. It means the whole other side of the industry – carpenters for set building, post production, sound recording, visual effects, all businesses that could be supplied by local vendors to service these studio shoots.

Why are digital companies so important? Because their computer animated output is not based on our tropical locations – indeed, they can be applied to movies not even made in Hawaii.

And it doesn't stop with movies and tv. Video games as an industry are 6 times larger than the movie business. Vancouver, which has previously been known for physical production, now has more business providing visual effects services for films not shot there. Vancouver has specific incentives for post production, over 30 companies providing those services, and probably the best digital cinema and video game school in the world.

We will never grow the pie if our business plan is just to hope that Hollywood green lights a tv show or movie that needs our beaches and jungles. We will never provide the opportunities our students are eminently qualified to execute unless we build the studio infrastructure and the digital companies that drive the growth side of this business.

This legislature had the foresight to fund educational programs like the Academy for Creative Media to give our students the skills to connect to the global entertainment economy and stay in Hawaii.

Our kids have responded with award winning films, starting new businesses, and the foundation of a creative class of workers that is the very basis of America's best hope for the future: an economy based on innovation and intellectual property.

SB 2111 will help them to fully realize that dream. Thank you for the opportunity to testify today.

Herman H. Stern
55 South Kukui Street, #D2708
Honolulu Hawaii 96813
Tele: 808-531-9930 Email: hermanhstern@msn.com

To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair

From: Herman H. Stern
Actor

Date: March 11, 2012

Re: Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Herman Stern. I am an actor.

I STRONGLY SUPPORT the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

Locally based film and television productions here in Hawai'i with not only create jobs, but also provide revenues for our economy.

Very truly yours,

Herman H. Stern

TESTIMONY OF NBC UNIVERSAL MEDIA, LLC

HEARING DATE/TIME: Tuesday, March 13, 2012
8:30 a.m. in Conference Room 312

TO: House Committee on Economic Revitalization & Business

RE: **Testimony in Support of the Spirit and Intent of SB2111, SD2**

Dear Chair, Vice-Chair and Committee Members:

I. INTRODUCTION

Over the last several years, local industry stakeholders, the Hawaii Legislature and the people of Hawaii have developed a clear consensus that the motion picture, television and related digital media industries (the "Film Industry") in Hawaii has become an important component of a diversified economy and has had a positive financial impact on the State of Hawaii which can be strengthened significantly if Hawaii's existing incentives for the Film Industry are enhanced.

As a result of the enormous infusion of cash that Film Industry productions bring to production locales, there has been a dramatic increase in the number of state and local governments attempting to attract film productions.

Recent studies have confirmed that these jurisdictions have experienced dramatic increases in in-state spending and significant growth in workforce and infrastructure development due to film productions in those state and local jurisdictions, that such productions stimulate direct and indirect tax revenue and that a properly designed tax incentive program can actually increase (on a net basis) local tax revenues. (See, Ernst & Young - Economic and Fiscal Impacts of the New Mexico Film Product Tax Credit; Meyers Norris Penny - Economic Contributions of the Georgia Film and Television Industry; Cloudberry Communications – The Millennium Report (Economic impact and exposure value for the Stockholm region in the Swedish Millennium feature films); Ernst and Young – NBC-Universal: Economic Impact of Filming a Television Series in Oregon).

It is also clear that the State of Hawaii should encourage similar growth because the Film Industry:

- (1) Infuses significant amounts of "new" (off shore) money into the economy, which is dispersed across many communities and businesses and which benefits a wide array of residents; and
- (2) Creates skilled, high-paying jobs; and
- (3) Has a natural dynamic synergy with Hawaii's top industry, tourism, and is used as a destination marketing tool for the visitor industry. In this regard, preliminary studies suggest a

strong correlation between exposure to movies and television programming produced in Hawaii and visitor interest in Hawaii as a tourist destination; and

(4) Acts synergistically to bolster the local music industry and thereby assists in preserving and disseminating Hawaii's host culture by introducing millions of people around the world to Hawaii's recording artists, music and dance. A compelling example of these benefits can be seen in connection with the critically acclaimed and popular motion picture "The Descendants" produced and directed by Alexander Payne and based upon a novel by local author Kauai Hart Hemmings. The Descendants garnered a Best Picture award at the prestigious Golden Globe Awards and landed George Clooney a Golden Globe for Best Actor. In addition, The Descendants was nominated for the following Oscars in 2012: Best Picture, Best Actor, Best Director, Best Adapted Screenplay, and Best Editing and won the Oscar for Best Adapted Screenplay. The Descendants boasts a fabulous sound track consisting entirely of preexisting musical compositions and sound recordings written and performed by up and coming and iconic local musicians from Makana and Jeff Peterson to Sonny Chillingworth and Gabby Pahinui; and

(5) Is a clean, nonpolluting industry that values the natural beauty of Hawaii and its diverse multicultural population and wide array of architecture.

The Film Industry also has a strong desire to hire locally and invest in the training and workforce development of island-based personnel and intends to continue the practice of hiring a significant number of residents and to support training and opportunities for those residents.

However, it is respectfully submitted that in order to stimulate such dramatic growth it is necessary to enhance Hawaii's existing tax incentive program (that uses the front-end budgeting methods normally used by the Film Industry and that lower production costs) in order to allow Hawaii to effectively compete with other film production centers in attracting a greater number of significant projects to the islands and to continue to build our local film industry infrastructure. In this regard, the Film Industry currently ranks Hawaii dead last – 21st out of 21 jurisdictions – in terms of "net affordability" even after application of our existing tax incentives. Hawaii is ranked behind the following production locations: Detroit, MI; Calgary, Alberta; Shreveport, LA; Birmingham, AL; Toronto, Ontario; Montreal, Quebec; Atlanta, GA; Chicago, IL; Vancouver, B.C.; Wilmington, NC; Albuquerque, NM; San Juan, PR; New York, NY; Philadelphia, PA; Boston, MA; Austin, TX; Providence, RI; Miami, FL; Stamford, CT; and Nashville, TN.

II. PROPOSED MODIFICATIONS TO ACT 88 THAT ARE LIKELY TO SIGNIFICANTLY INCREASE PRODUCTION ACTIVITY IN HAWAII

NBC Universal Media, LLC ("NBC/U") develops, produces, broadcasts and distributes motion pictures, television programs and related content around the world. In the Spring of 2011, the State of Hawaii, through the Creative Industries Division of DBEDT, reached out to NBC/U to inquire as to what NBC/U would consider to be essential modifications to Hawaii film tax incentive program in order to build and sustain a robust Film Industry in Hawaii. After careful consideration, NBC/U recommended a few reasonable and measured modifications to Act 88 designed to make Hawaii's incentive program more stable, competitive and technologically

friendly given the emerging significance of internet delivered content as an adjunct to traditional content delivery. Specifically, the following modifications to Act 88 (the "Proposed Act 88 Modifications") were respectfully recommended:

- (1) Increase the refundable production credit ("RPC") by 10% **with the increase tied to local hires/vendors.**
- (2) Eliminate the prohibition against internet only projects from qualifying for the RPC and make the law technologically transparent.
- (3) Allow pass-through entities to recover the RPC directly.
- (4) Increase the per production RPC cap from \$8,000,000 to \$16,000,000.
- (5) Allow webisodes to be included in the RPC application for the related series (avoids failing to meet the \$200K minimum spend).
- (6) Extend sunset date of Act 88 to at least 2025 to assure certainty and predictability for long term production planning.

III. CONCLUSION

While Hawaii may be perceived as a highly desirable destination that would instinctively attract the Film Industry, the State needs to take affirmative steps to ensure Hawaii is at the top of the list and not left behind in the wake of other domestic and international locales. The proposed Act 88 modifications will help to ensure Hawaii is competitive with film destinations around the globe and does so in a manner that is sustainable and rational for the long term. NBC/U stands ready to work with the Legislature, the Administration and local Film Industry stakeholders to improve and enhance Hawaii's film incentive program to help build a robust, stable and sustainable Film Industry in the State of Hawaii.



William G. Meyer, III
On behalf of
NBC Universal Media, LLC

To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee
(3 Copies Requested)

From: Remington Scott
Founder / Partner
Continuum Icon

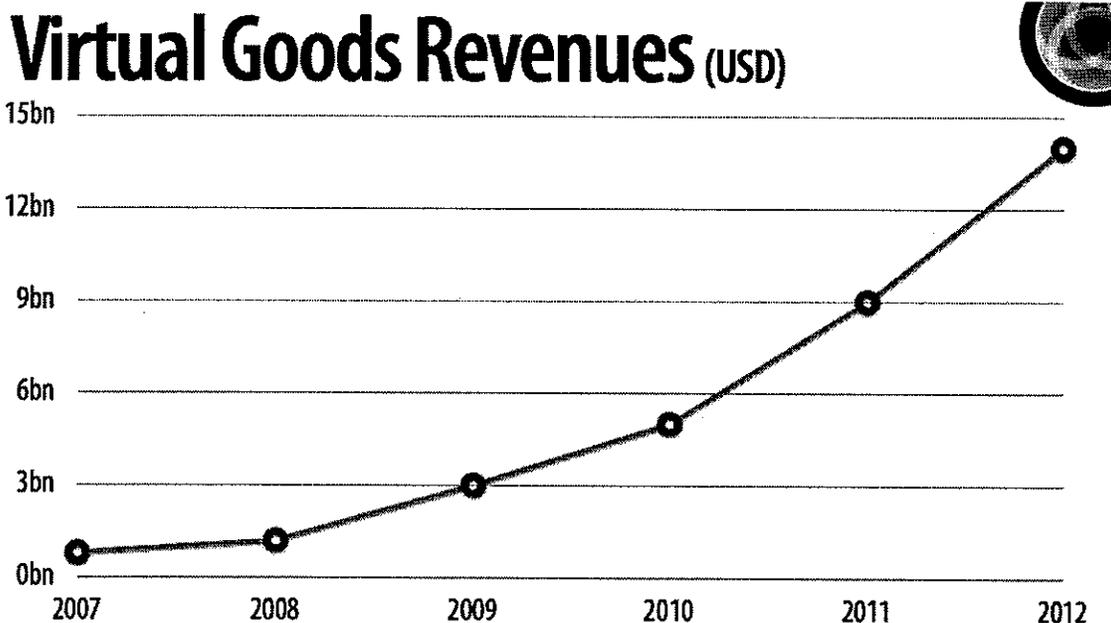
Date: March 12, 2012

Re: Testimony in STRONG SUPPORT of SB2111, SD2

Aloha, Chair, Vice Chair, and Members of the Committee:

I STRONGLY SUPPORT sB2111 and SD2 as this legislation will create quality good paying jobs for Hawaii residents.

The digital media market has seen phenomenal growth in the past decade, but none so drastic as the virtual goods revenues (these are digital media assets that only exist in digital form). In 2007 the yearly revenue of the virtual goods market was in the USD 300 million range, **this year it has exceeded USD 14 billion.**



Source: KZero. Includes VG's from VW's, socnets and cross-world



In a 2011 Ecommerce article for BizReport.com it states that virtual goods are a hot commodity for consumers and for merchants heading into the second decade of the 21st century. But the consumption is much higher in one place. One region of the globe is far and away the top purchaser and consumer of virtual goods: the Asia / Pacific region.

According to a 2011 report from In-Stat, the Asia / Pacific region is responsible for **70% of worldwide revenue for virtual goods**. That means that 70% of the yearly revenue of USD 14 billion is centered in the Asia / Pacific region (USD 9.8 billion for 2012).

Hawaii is poised in the center of the global region of the highest growth.

This staggering percentage of the next major economic growth illustrates the potential future for Hawaii's high technology digital media industry.

We are at the beginning of a global economic boom, in the global center of the regional area with the greatest consumption. However, ask yourself how much of the USD 14 billion dollar per year (and growing!) virtual goods industry is Hawaii currently reaping?

We need the Economic Committee to recognize growing trends in new revenue for future generations so we can compete in the new digital asset marketplace and grab a global foothold of this double-digit billion dollar per year industry. Capturing a percentage of the digital media market infuses significant amounts of 'new' money into the local economy which is dispersed across many communities and businesses and will benefit a wide array of residents.

My company understands the potential for growth in Hawaii and is committed to creating skilled high paying jobs. But I can't do it alone. I need the help of the Economic and Revitalization & Business Committee to recognize that SB2111, SD2 are going to help Hawaii grow. In order to stimulate such dramatic growth it is necessary to enhance Hawaii's existing tax incentive program which will allow Hawaii to effectively compete in building infrastructure and being competitive on a global scale in this clean, nonpolluting industry.

Please feel free to contact me with any questions concerning my testimony.

Mahalo.

To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee

From: Zachary Marcus Bruner
Founder/Partner
Continuum Icon

Date: 03/12/12

Re: Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Zachary Bruner. I am a founder & partner of a digital tech company.

I STRONGLY SUPPORT the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

A strong, robust and self-sustaining entertainment industry is one of the most promising economic and job-creating stimuli available to Hawaii today. My business will help create a new medium in Hawaii through the field of digital entertainment, catering to tourists and locals alike. Work incentives for new

employees and financial institutions, from both foreign and domestic groups, would be increased greatly by the passing of this legislation. The state already has legislature in place that promotes incentive for foreign and domestic interests to come to Hawaii and help her flourish; what we must do now is play to that strength. If this legislation were to pass, it would only serve to increase the strength of our local economy as well as bolster Hawaii's workforce, creating quality, high-paying jobs. Hawaii is in a very unique position to further develop its entertainment industry and become a leader in not just the film industry, but many other mediums as well. Strengthening Hawaii's entertainment industry works hand in hand with bolstering the state's tourism, one of our greatest assets.

Very truly yours,

Zachary Bruner



To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee
(3 Copies Requested)

From: Jonathan Yudis
President & Creative Director
Infinite Entertainment Now

Date: 3/10/12

Re: Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Jonathan Yudis. I am a filmmaker and owner of the entertainment and media company 'Infinite Entertainment Now.'

I STRONGLY SUPPORT the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

As an active writer, producer, and director with projects designed and slated for production here in Hawaii, this bill will directly impact my business and career.

Very truly yours,

Jonathan Yudis

A VISIONARY MEDIA COMPANY

PH: 323-353-0968 • E: InfiniteFilms@gmail.com • JonathanYudis.com • InfiniteEntertainmentNow.com

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March 11, 2012

To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee

From: Stephan D. Smith
President
SHM Partners

Hearing Date: March 13, 2012

Re: **Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2**

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Stephan D. Smith. I am a studio developer and manager.

I **STRONGLY SUPPORT** the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

Specifically, I am writing in support of a State infrastructure credit for purpose-built studio facilities because without it the type of studio infrastructure necessary to attract continuous production and establish a sustainable film and television industry in Hawaii will not happen.

It's clear that production is increasingly gravitating to places with studios, so jurisdictions which have supported studio infrastructure have set themselves apart from those offering only location opportunities by dramatically increasing local expenditures (location spending typically amounts to well under 50% of total production cost) and building an industry comprised of skilled, high paying jobs. The lure of Hawaii for producers of visual content is incontrovertible—over 50 years of television production and nearly 100 years of filmmaking, not to mention hundreds of commercials. Lately, the hit television show, *Hawaii Five-0*, and the Oscar nominated film, *Descendants*, have brought much attention, and an

attendant boost in tourism, to the State similar to what *Lord of the Rings* did for New Zealand.

Interestingly, the State also boasts an abnormally high incidence of creative, media-savvy young people. However, unless there is public investment in infrastructure, Hawaii, which is already relatively expensive, will progressively lose productions to alternative tropical locations which offer studio facilities. This will inevitably lead to an ever greater exodus of students graduating in media disciplines seeking job opportunities elsewhere.

The film business is evolving, and modern stage facilities, along with a predictable film incentive regime, are needed in order for the State to meet rising competition and to build a stable industry with a consistent, well compensated employment base rather than endure the boom-and-bust of the location-based business.

Sincerely,

A handwritten signature in black ink, appearing to read 'Stephan D. Smith', with a stylized flourish at the end.

Stephan D. Smith
SHM Partners



To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee

From: John Orland
President
Crossroads Productions, Inc.

Date: March 13, 2012

Re: **Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2**

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is John Orland. I am a motion picture producer.

I STRONGLY SUPPORT the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

As a filmmaker since 1969, I have extensive experience and first-hand knowledge of the positive economic impact of financial incentives on creative industries. On a personal note, during the filming of a TV pilot in 1978, I was rescued at Waimea Bay by Eddie Aikau, and as a result, have a special love for and interest in Hawaii. I am currently developing a big wave surfing movie set in Hawaii.

Very truly yours,

/John Orland/

P.O. Box 1150, Summerland, CA 93067 • 310.918.0599

Aileen R. "Lily" Acain

To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee

From: Aileen R. "Lily" Acain
Actress / Producer / Writer

Date: March 10, 2012

Re: **Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2**

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Aileen R. "Lily" Acain. I am a musician, actor, producer, writer.

I STRONGLY SUPPORT the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

"I have been an a multitude of TV series and Feature Films as an actress, stuntwomen, and production crew, starting in Oahu, as I was born and raised in Hawaii. (Magnum, Jake & The Fat Man, One West Waikiki, Raven, Island Son, Baywatch Hawaii, and much more.) I then had to move to Los Angeles to further my career and have made an impact in my acting, then producing and writing for the last 30 years. I'm currently working w/ a project w/ a multiple Global Award, Emmy Award Producer/writer tied in w/ a major Network, and we are developing it specifically for Hawaii, and would like to see it come to fruition w/ the support of This Bill.

Very truly yours,

Aileen R. "Lily" Acain

Film

Finding Gauguin	Maui Film Consultant
Susan' Plan	Featured opp. Rob Schneider /Dan Akroyd
Lethal Weapon 4	Featured opp. Joe Pesci/Danny Glover
Rush Hour	Featured opp. Jackie Chan /Chris Tucker/
Stunts	
Armageddon	Featured opp. Liv Tyler/Ben Affleck
Jerry McGuire	Featured opp. Regina / regular extra
Very Bad Things	Featured opp Peter Burg
Night At The Roxbury	Featured opp. Will Farrell ,Chris Kattan
City Of Angels	Featured opp. Meg Ryan,Nicolas Cage
The Flintstones: Viva Rock Vegas	Featured opp. Mark Addy / Billy Baldwin
Waterworld	Featured opp. J. Tripplehorn, Kevin Costner
Beverly Hills Cops III	Featured opp. Hector Elizando/Eddie Murphy
North	Featured opp. Elijah Woods/Dan Aykroyd
Good Bye Paradise	Featured opp. Joe Moore/Pat Morita
Blue Velvet	Featured opp. Kyle Mclaughlin/Laura Dern
Ocean Fever I & II	Lead "Surfer Girl"

Television/ Internet

Inside Out Show	Producer/Writer-in development stages
Dr. Paul,Cancer Life talk	Producer/Writer,shot entirely in Maui,HI.
Baywatch/Baywatch Hawaii seasons)	Extra, utility talent / stunts/ PA/ 2 nd AD (5
The Aqua Girls "Hits"	Lead ("Benjamin") /Co-Producer /Writer Recurring (Andrew Dice Clay's TV girlfriend)
Parenthood	Robert Townsend's "Fantasy Girl"/ regular extra
2 yrs	
Fresh Prince of Bel Air	Regular extra 1 season
In The House w/ LL Cool J	Regular extra 1 season
The Jamie Fox show	Regular extra 2 seasons
The Principal	Regular extra 1 season
Seinfeld	Seinfeld's "Fantasy Girl"/ regular extra 1 yr
Brooklyn South	Stripper / regular extra 2 yrs
Jag	Utility Stand In/ regular extra 5 yrs
Beverly Hills 90210	Regular extra for 6 yrs
Power Rangers	Regular extra for 3 yrs
Babylon 5	Cyber Geisha / Regular extra 3 yrs
Battle Star Gallactica	Hologram girl / Regular extra 2 yrs
Star Trek New Generation	Featured space civilian/ regular extra 2 yrs
The Jenny Garth Show	Polynesian waitress / regular extra 1 yr
One West Waikiki	Recurring ("Pua Alo")/ regular extra 2 seasons
Raven	Recurring ("Tia") / regular extra 1 season
Bold And The Beautiful	Co-star ("Kim")
The Young And The Restless	Vietnamese Hooker
Dream On	Thespian / regular extra 2 yrs
Campus Cops	"Fantasy Girl" day player / utility stand in
Chop Cops (Pilot)	Female Detective- Cast Member
Revealing Evidence (Pilot)	Stanley Tucci's "Girlfriend"
Rock In A Hard Place	Lead("Carmella")

Treasure Island	Lead ("Leilani")
Diamond Merchant	"Fantasy Girl"- Day player
Unsolved Mysteries	(Emila Earhart episode)
Island Son	Nurse
Jake and the Fat Man	Airline Ticket Agent (Wendy) & Stunts /regular
extra	
TJ Hooker	Polynesian waitress/ regular extra 1 season
Magnum P.I.	Extra for 7 yrs.1980-1987
Charlie's Angels	Student (extra) 1977

TV Host / Internet

Maui Today. TV	Tutorial Host
The Box	Co-Host
Gotcha Backdoor	Co-Host/ with Broc Little

Commercials

National – 2 Millerlite commercials (Surfer Babe & Golfer)
Hawaii – Bank Of Hawaii (Lead,3 yr . contract "Carmella")
Nissan , KFC , Sunset Grill , Finance Realty.
California – Black & Decker, Kraft Mac & Cheese, Pepsi
Budweiser, and more....

Miscellaneous Television & Video

Playboy Channel	Correspondent for special/co-producer/sound
Kayak Adventures in Paradise	Featured opp. Gregory Harrison
Liberty House 401K training	
Video	Lead
America's Shopping Channel	Product Spokesperson
Hawaiian Moving Company	Fashion Show

Theatre

"Soul Mates"	"Girlfriend #5)
"Oliver"	"Orphan"
"Bye-Bye Birdie"	"Student"

Miscellaneous (Titles & other)

Hawaiian Tropic winner (Miss Mexico)1985
Miss Yupi winner (Ecuador/Coca-cola sponsored Bikini/Beauty Contest held in Ecuador)
Baywatch Babe / lifeguard (1994-1999)
Hooter's Girl
Playboy Bunny

Allied Artist Management

8733 Sunset Blv.,Ste101
Los Angeles, CA 90069
(310) 652-0122
Fax:(310) 652-7595

Susan Nathe & Assoc.

8281 Melrose Avenue, Suite 200
Los Angeles, CA 90069
(323) 653-7573

References provided upon request

Lily Acain

Career Path 2011

2011- Producer - TV series for Maui, "The Aqua Girls", currently being re-written to shoot for Maui. Project is in possession with Senior Writer of "The Young and The Restless", and "The Bold and The Beautiful." John "Jack" Francis Smith.

2011- Producer / Writer- Temporary working Title "Aloha Mabuhay"- a Filipino Soap Opera shot entirely in Maui, consulting w/ Jack F. Smith, Senior write/ Consultant, of "The Young and The Restless", & The Bold & The Beautiful". In Development stages.

2009– 2011 Producer/Writer - "Hula Heartbreak"- a reality based made for TV show created by Lily Acain. To be shot entirely in Maui. Casting inter-island. In Development stages.

2009 – Film Consultant for - "Finding Gauguin", an Indie Feature Film that shot on Maui for 5 weeks, Executive Producer: Lee Don Taicher, Directed by award winning Producer: Stephane Gauger. Assisted in location, casting, local crew, catering, stunt people daily communications, w/ Don, Stephane, and Branscombe Richmond, who came aboard as a Second Assistant Director.

2007 – Producer/Writer - "Inside Out" a reality based made for TV and Internet show, created by Brenna Charlebois. Subject of show is to do a makeover from the psychological realm into the physical aspects of each case of clients whom have not been on a date for more than several years.

2007- Production Coordinator/Massage Therapist- For 3 Cancer Fundraisers on Maui, 1- Prudential Iwado Realty, Cancer Fundraiser dinner, and 2 – "Relay for Life", Cancer walks(Kihei/Kalama Park), and Central/The War Memorial Stadium). I coordinated both events for Spa Luna School of Massage and Estheticians as well as being a registered Sponsor for both events, raising funds totaling over \$4000 for the American Cancer Society, as well as practiced, supervised and taught massage therapy on the Cancer Relay Sponsors, as well as the Cancer Survivors, and participants, for 8 hours non stop, overnight for both events, with 15 volunteer student massage therapist from Spa Luna. A historical turn out for this years Relay for Life, for massage volunteers, in which Spa Luna was officially offered a designated tent for next year, and free advertising from the ACS.

2007- MauiToday.TV- Marketing assistant/ Independent Producer- Assisting Ken M. Burgmaier in marketing, recruiting new sponsors, assisting in material (Cancer Fundraisers, Windsurfing Contest, Produced: The Dr. Paul Coty, PSA Cancer Life talk for community awareness with guest speaker Uncle Boy Kanae) for this new online news venue funded by Maui County for the State of Hawaii.

2007- Assistant Production Coordinator- For Platinum Entertainment/Promoter Ray Barrett. Venue was at the Pipeline Café in Honolulu, for a MYSPACE party with Tila Tequila.

2007 – Producer/ Writer- The Dr. Paul Cancer life talk show, a local based ongoing PSA series for Cancer Awareness for the State of Hawaii. Shown on Mauitoday.TV, as well as viewed at two Maui Film Festivals. Filmed entirely in Maui.

2007- Marketing assistant/ Independent Producer- for Jazz Alley TV and the Maui Film Fest-Hawaii Film Festival. Assisting Ken Martinez Burgmaier in getting Sponsor's for the Maui Film Festival, which promotes local filmmakers that promote Hawaiiana.

2007- MCC Drive Inn- Volunteer- Assistant for Ken M. Burgmaier/President of Maui Reflections Film, and Jazz Alley TV. In helping to organize and assist in the MCC Drive in movie events, and getting Sponsors.

2007 – Production Coordinator- For the Epileptic Foundation of Maui for the Concert, “Reggae On the Rocks”w/ Platinum Entertainment, Sponsor Ray Barrett. Held at the War Memorial Stadium. In charge of supervising and recruiting volunteers for the non-profit organization: The Epileptic Foundation of Maui. To raise monies for an updated First Aid Training Video for the foundation.

2006 – Co Producer- Epileptic Foundation of Maui, Ref. By Benita Brazier as Production Coordinator. Then considered for Co-Producer, which involved, casting, and overall pre production, and fundraising, w/ Platinum Entertainment in 2007 for this non profit organization. To Produce an up to date educational 1 hour video, used to train the medical industry, EMT's,MPD, to educate students in Grade school, and overall the community.

2004 David St. John’s School of Modeling & Acting – Instructor. Instructing beginning to experienced students in both theoretical and practical modeling and acting fundamentals. Classroom training includes the following disciplines in an 8week course:

Wardrobe	Make Up/Skin Care
Acting Principles	Hair Care
Photo Critique	Photo Make Up
Modeling/Acting Protocol	Body Dynamics & Nutrition

2004 - “Soul Mates” Catholic Rock Opera – Acted in a contemporary Rock Opera, written, produced, and music composition by Patricia Watson. Performed 6 songs as well as acted in 6 scenes, at “Hapas”.

4/97-Present – Co- Producer of “The Aqua Girls”, a potential television series, formerly viewed by Executive Producer John Daly (Paramount Pictures) of “The Terminator”, “The Last Emperor”, “Platoon”, and Executive Producer Barbara Hall (ABC Network) of “Judging Amy” an award winning televisions series, as well as “Joan Of Arcadia”. Responsibilities include casting, music and character development and project manager.

1997-2001

BIG PICTURE STUDIOS

North Hollywood, CA

Second Assistant Director for Showtime Boxing Commercial

Second Assistant Director for United Way Commercial

CYCLONE FILMS

Hollywood, North Hollywood and Tustin, CA

First Assistant Director for “Comme Ci, Comme Ca” music video for River Horse record label.

Second Assistant Director for “Burn, Wanya” music video for WanMor Entertainment;

Director: Ron Hightower.

Executive Assistant during music video production of Capitol Records’ band “Shivaree”; Director:

Dustin Robertson

Executive Assistant during music video production of Nfocus Entertainment’s band “34” Below

NFOCUS ENTERTAINMENT

Tustin, CA

Production Coordinator – Organized and supervised various music and film production departments such as music videos, music licensing and placement, event and club bookings, tour routing, tracking radio air –play, monitoring overall production of new releases, talent scouting and artist development.

Executive Assistant during music video production of Nfocus Entertainment's artist "Steely", in conjunction with Cyclone Productions.

BLACK DOG FILMS

Los Angeles, CA

Second Second Assistant Director for "Crazy Town" music video for Columbia Records"; Director Spencer Sussor

1994-1999 BAYWATCH PRODUCTIONS / BAYWATCH HAWAII

Los Angeles, CA and Honolulu, HI

Set Production Assistant / Actor / Stunts – Five seasons of work with the Baywatch production family as talent, utility stunt person, and production assistant in office and film location, both in California (Wil Rogers's beach/Malibu) and when the production relocated to Hawaii (Diamond Head Studios). Promoted from PA to second AD, to 1st AD for one second unit episode in a 6-month period of the first season in Hawaii.

1997-1998 ASPECT RATIO/ Encore Video

Hollywood, CA

Intern Producer for "A Rock and a Hard Place"(Playboy)," Chocolate For Breakfast"(Inde made for TV film) and "Treasure Island"(Playboy) projects: Assisted in film editing, casting, supervision, coordinated film "pick-ups", Telecine, Foley, ADR and overall pre and post-production work. Internship included reading novels for prospective movie projects, script reading, casting assistant, and I also wrote the treatment, and script for Endless Summer 3 w/ Ron Moler, Executive Producer of Endless Summer 2. Who was also at the time half owner of Aspect Ratio, which is one of two top Advertising companies in Los Angeles for Movie trailers.

1994 – Production Assistant for Prime-Time Network Documentary Television.

PBS, NOVA; Production Assistant, Talent: "Sharks"

CBS, 48 HOURS; Production Assistant, Sound Mixer: 1 show

Playboy Channel Documentary, Associate Producer, Assistant Director, Correspondent

1992 – New Roads Production Co.-Production Assistant

Assisted with the production of an HMSA commercial filmed at McHale Video. Duties included casting of talent, camera and video equipment operation and miscellaneous production administrative tasks.

1990-1994 – Auditions Modeling School – Instructor. Instructing beginning to experienced students in both theoretical and practical modeling and acting fundamentals, Classroom, studio and location training includes the following disciplines in a 16-18 week course:

Runway Training
Wardrobe
Acting Principles
Photo Shoots
Photo Critique
Modeling Protocol

Make Up/Skin Care
Hair Care
Photo Make Up
Photo Posing
Body Dynamics & Nutrition

1992 – Leeward Community College – Television Production Assistant. Assistant to Robert Hochstein, Television Production Instructor. This specialized instruction includes the following curriculum:

Program Format	Script Development
Script Breakdown	Story Boarding
Releases & Clearances	Production Budgeting
Purchasing Air Time	Visual Composition
Camera Operation	Stage & Set Lighting
Television Graphics	Editing Principles
Lighting Principles	Audio/Video Engineering

Take Two Casting – President

Started modeling and acting casting agency in 1983 in Honolulu.

Modeling/Acting Based Education 1980-1998

Honolulu, Hawaii:

Garrison True Workshop	Wayne Ward Acting Workshop
Larry Carpenter Workshop	Honolulu Film Actors Workshop
Margaret Doversola Workshop	Gypsy Norton Modeling School
Kalani High School Drama/choir	

Los Angeles, California:

Bobby Chance Workshop	Sal Romeo
Larry Moss/Michelle Danner	

Certified AVID film Composer

Union Affiliations –Member of SAG (since 1980) and AFTRA (since 1983)

I have also been involved in various local and international fashion modeling assignments. I have also accomplished fashion show and theatre choreography and have had my own casting Agency which has made me a very resourceful talent agent. I was also an active member of the Film and Video Association in Honolulu, before moving to California.

For TV and FILM credits, see resume.

Aileen "Lily" R. Acain (808) 264-0622

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Born and raised in Honolulu, HI. Lily Acain has been in the film industry for over 30 years. Introduced into the Modeling world at the age of 5 years old by her oldest sister Mimorie Thoma, who was an 11 trophy winning pageant contestant for the Miss Filipina Pageants in Honolulu. Then introduced into the acting world by her older siblings who were 2 of 22 extras that worked in the state of Hawaii at the time on "Hawaii 5-O", As well as being known performing artist in the community, which gave her that "foot in the door" with Margaret Doversola, the Casting Director for Hawaii 5-O and Magnum. Although growing up in Kahala around such local musical celebrities such as Danny Kaleikini, Dick Jenson and the Don Ho family, and performing in grade school programs dancing the Hula, and Tahitian, singing and performing on the Ukulele, and self taught on the acoustic guitar. Lily got her first "extra" job at 13 years of age on the popular TV show "Charlie's Angels", an episode that was shot in Hawaii for a season opener "Angels in Paradise", in which stunt friend Reggie Ho, introduced her to stunts, as she did a surfing scene. Which then later lead to other stunts throughout her career. Since then her acting career became a steady flow of interest, in all aspects of the industry such as writing, (Currently working on short stories for young readers in which she started writing in Junior High and working on getting publishing as a series of children's books and will be donating a portion of the proceeds towards Pediatric Cancer research as she is actively involved w/ the American Cancer Society in Maui). Her older sister Angie Acain is a Publisher/writer for 2 magazines based in New York and has asked Lily to be a columnist, with her first magazine, which was in Honolulu called "Ohana". It became the #1 health literature in Honolulu. Also in Junior High School having had the fortune of having alumni such as brother Israel Kamakawiwaole and his twin brother,

walking around campus playing their ukulele's and filling the campus w/ their beautiful sound of their singing, IZ known for (Somewhere over the rainbow). Being surrounded by so much cultural entertainment is not a mystery as to her involvement in the industry. She was also very involved in Theatre and Choir in Kalani High School, doing theatrical make up, wardrobe, choreography for musicals, and learning the technical jobs doing sound, lighting, set building and dressing. Her high school boyfriend Geoffrey Thorpe, who's father was the first casting director for Hawaii 5-O, and his mother was "Nurse Baxter" on "Medical center", Geoff had also been a working actor as well as has a heavy metal band currently called "Vicious Rumours" based in Northern California. "Our circle of friends were like the cool group" doing national commercials, TV shows, and throwing the best parties, because of the array of musicians, that would crash our high school parties, such as the lead guitarist for "White snake", "Rod Stewart", & Blah Pahinui, to name a few. Working on "Magnum P.I." for 7 years as an "extra" until She got her first speaking role on "Jake and the Fat Man" as "Wendy", which lead to more principle roles on other shows such as "Raven" starring Jeffery Meek. Lily had an ongoing character called "Tia", Ravens Bonsai gardener, then onto "One West Waikiki" starring Cheryl Ladd, in which she also had an ongoing role as "Pua". She then landed a 3 year contract for "Bank of Hawaii" as "Carmella" starring opposite Myra and Harry along with several cast members in that series of commercials. Lily was given a small part on "Beverly Hills Cop 3" w/ Eddie Murphy, & Hector Elizando, Directed By John Landis, who she originally met after he casted her in a Pilot called "Chop Cops" as one of the Detectives, that was filmed in Honolulu, after beating out over 100 males that auditioned for that role, Lily's then agent took a chance at sending her out to that call to risk the part being female instead, the risk paid off.

The show didn't get picked up, but Landis had taken her under his wing and added her to his stable of actors that he Developed as well as mentored her as a Director while working as a utility stand in on "Campus Cops", and "Dream On". In which Landis had also given her small parts along w/ the some of her alumni that were on Beverly Hills Cops 3.

She also landed a part on "The Bold and The Beautiful" playing a role named "Kim" who award winning senior writer Jack Smith, a close friend of Lily's, with the intention that it would be a love interest for Thorn. But the Soap world was not ready for the Ethnic background of this Polynesian/Asian mix. Before moving to Los Angeles, Lily was invited to attend Leeward Community College in their prestige's TV/Film Production program, by Professor Robert Hochstein as a celebrity student, as her real aspiration was to be a Producer/Director. She also taught modeling and acting for a school called AUDITIONS in Pearl City, for 3 years and started her own casting agency called "Take Two Casting" in 1983. Lily is an active member with SAG & AFTRA, and Also was very involved with the Film and Video Association of Honolulu for many years before moving to California in 1993 to pursue her acting career, which she experienced some success landing small roles, and reading for roles such as in "Payback" w/ Mel Gibson, "On Deadly Ground" w/ Steven Siegel, but ultimately lead her back to her real passion of working behind the scenes. Interning as a Producer for Aspect Ratio in Hollywood on two Playboy made for cable shows, and attended editing School at Video Symphony in Burbank, and having John Landis continuing on mentoring her in directing, and proceeding to give her small roles in TV shows or Feature Films, in which she also had the fortune of working w/ Dan Akroyd, Laura Flynn Boyle, Rob Schneider, and Adrian Paul all in one film.

Lily Producer

Lily worked on "Baywatch" starting off as just an "extra", then being a utility stunt person. When the production moved to Hawaii, her interest went back to being behind the scene. Starting again as a Production Assistant to getting promoted ultimately to 1st Assistant Director on her last year on the show, after working for "Baywatch" for 5 seasons. In between TV & film productions, she also Co-Produced a TV show & Rock Band, "The Aqua Girls", w/ Executive Producer, Claudia Carey in 1998, which was on contract w/ Nickelodeon for 4 months, also interested in the show was Executive Producer, Barbara Hall (NY) of "Judging Amy" and John Daly Executive Producer of feature films such as "The Terminator", "Platoon", & "The Last Emperor" of Paramount Pictures, in the year 2004. Lily's latest accomplishment, Producing and writing a Cancer Awareness PSA for Maui today.TV (2007), as well as it was viewed at 2 Film Festivals in Maui. Lily was also the front running candidate for Film Commissioner of Maui in 2006.

For more information: see resume



Lily and John Landis on her first Show interning as Director, on "Campus Cops".



PUNAHELE PRODUCTIONS

554 Paopua Loop
Kailua, Hawai'i 96734
PH: (808) 261-1044
Punahele @ hawaii.rr.com

To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee

From: Jim Linkner
Secretary/Treasurer
Punahele Productions Inc.

Date: March 13, 2012

Re: Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Jim Linkner. I am a music producer, engineer and marketing director.

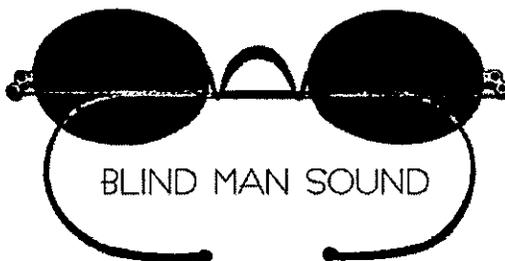
I STRONGLY SUPPORT the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

In the past, we've been often supported by the film, television and tourist industry through the licensing of our recordings and new music creation... most noteworthy being Keali'i Reichel. In fact, we just completed production of music for the new Disney Aulani resort. In the past, the State's tax breaks for the digital industry have helped immensely to our ability to recover our production costs, especially in these lean times in Hawaii's music industry.

Very truly yours,


Jim Linkner

Handwritten initials



554 PAOPUA LOOP . KAILUA, HAWAII 96734
PH: (808) 261-1044
PUNAHELE@HAWAII.RR.COM

To: House Committee on Economic Revitalization & Business
Representative Angus McKelvey, Chair
Representative Isaac Choy, Vice Chair
Members of the Committee

From: Jim Linkner
Managing Member
Blind Man Sound LLC

Date: March 13, 2012

Re: **Testimony in STRONG SUPPORT of the Spirit and Intent of SB2111, SD2**

Aloha, Chair, Vice Chair, and Members of the Committee:

My name is Jim Linkner. I am a music producer, engineer and marketing director.

I STRONGLY SUPPORT the spirit and intent of SB2111, SD2 as the passage of this legislation will: 1) have a dramatic positive effect upon Hawaii's creative industries; 2) create quality, good paying jobs for Hawaii residents; and 3) help promote Hawaii as a desirable tourist destination.

In the past, we've often been supported by the film, television and tourist industry through the licensing of our recordings and new music creation. In the past, the State's tax breaks for the digital industry have helped Blind Man Sound and its associated labels immensely to the ability to recover production costs, especially in these lean times in Hawaii's music industry.

Very truly yours,



Jim Linkner

2012

Hāna Business Council

P.O. Box 856
Hāna, HI 96713

Relating to Film and Digital Media Industry Development: SB2111 Regarding the "Film Industry Bill" Position: Strongly Support

The Hāna Business Council board of directors, acting in good faith on behalf of its members who are mostly small business owners in Hāna have reviewed and discussed the bill in question. We understand the specific numbers and amounts listed in the bill are subject to change, but still strongly support the bill in its intent to help develop and promote the film industry in the state, and especially in Maui County. We feel that the growth of the film and production industry will have a positive impact on the businesses in Hāna, and on our local economy.

Recognizing that Hāna has the scenery desired by a variety of productions, we further find it unlikely there will be any negative impact on the community. Rather, we feel the economic impact of productions coming to film on location in Hāna will be overwhelmingly positive. However, we urge the legislature to pass the bill in its entirety, ensuring that the portion of the bill related to local job training and education be included. Providing extra incentives for hiring local workers is also strongly encouraged. It is this portion of the bill that will create more local jobs for residents, which is a vital component to building a strong and lasting industry.

We also encourage the bill to include larger tax incentives for outer island film production/infrastructure. Oahu has a thriving film industry already, and in order to attract productions to the outer islands, and make the development of supporting infrastructure more affordable, the tax benefits for outer island projects must be greater than those on Oahu.

Mahalo for your consideration on this matter, and we look forward to hearing the bill has passed and the industry is growing.

Respectfully Submitted,

Andrew Rayner, HBC President

Sky Pierce, HBC Secretary

From: mailinglist@capitol.hawaii.gov
Sent: Saturday, March 10, 2012 11:35 AM
To: ERBtestimony
Cc: rgalindez@islandfilmgroup.com
Subject: Testimony for SB2111 on 3/13/2012 8:30:00 AM

Testimony for ERB 3/13/2012 8:30:00 AM SB2111

Conference room: 312
Testifier position: Support
Testifier will be present: Yes
Submitted by: Ricardo Galindez
Organization:
E-mail: rgalindez@islandfilmgroup.com
Submitted on: 3/10/2012

Comments:

From: mailinglist@capitol.hawaii.gov
Sent: Sunday, March 11, 2012 8:23 AM
To: ERBtestimony
Cc: karen@alohaisland.com
Subject: Testimony for SB2111 on 3/13/2012 8:30:00 AM

Testimony for ERB 3/13/2012 8:30:00 AM SB2111

Conference room: 312
Testifier position: Support
Testifier will be present: No
Submitted by: Karen Agudong
Organization: Individual
E-mail: karen@alohaisland.com
Submitted on: 3/11/2012

Comments:

Please support SB2111. Supporting this Bill will be a huge economy booster for our State and for the people of Hawaii. The film industry wants to come to Hawaii. Please let's give them every opportunity to do so. It is very obvious over the past few years just how much potential the film industry can have on the economy of Hawaii. I encourage you to support the Bill. Thank you for your time and consideration.

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, March 14, 2012 8:50 AM
To: ERBtestimony
Cc: shidekigonomo@gmail.com
Subject: Testimony for SB2111 on 3/15/2012 9:45:00 AM

Testimony for ERB 3/15/2012 9:45:00 AM SB2111

Conference room: 312
Testifier position: Support
Testifier will be present: Yes
Submitted by: Mychal Okuhara
Organization: Individual
E-mail: shidekigonomo@gmail.com
Submitted on: 3/14/2012

Comments:

I am writing to the committee to again reiterate my support for Senate Bill 2111. As written, this bill will encourage investment in the state, build our economy and keep creative, educated individuals working in Hawaii. While we all hope that the state's burgeoning film industry will bring in dollars from large studios, SB2111 helps ensure that local businesses (that will hire and spend locally) can survive and thrive. What I further advocate at this time is for the language allowing smaller digital media projects (\$50,000 and up) be reinstated to the bill. This lower threshold will allow small businesses in the state to pursue a multitude of projects that, when totaled up, will build a solid infrastructure for digital media in Hawaii. Regardless of the lowered project threshold, it is my sincerest hope to support this bill and see it pass into law.