

Honolulu, Hawaii

APR 05 2013

RE: H.B. No. 799  
H.D. 3  
S.D. 2

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2013  
State of Hawaii

Madam:

Your Committee on Ways and Means, to which was referred H.B. No. 799, H.D. 3, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CREATIVE MEDIA DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to encourage the growth of the State's film and digital media industries.

The measure seeks to accomplish this objective by:

- (1) Establishing a workforce development training program that provides wage reimbursement for on-the-job training by entities that receive a motion picture, digital media, and film production income tax credit;
- (2) Amending the motion picture, digital media, and film production income tax credit by:
  - (A) Amending the definition of "digital media" to delete the provision that excludes Internet-only distribution from the list of authorized methods of delivery;
  - (B) Clarifying the definition of "qualified production costs"; and



(C) Extending the sunset date of the tax credit to January 1, 2025; and

- (3) Appropriating funds for the workforce development training program.

Your Committee received written comments in support of this measure from Island Film Group.

Your Committee received written comments in opposition to this measure from a private individual.

Your Committee received written comments on this measure from the Department of Taxation and the Department of Business, Economic Development, and Tourism.

Your Committee finds that, in recent years, the film and digital media industries of the State have demonstrated great potential to bolster both the local economy and the State's primary industry of tourism. Your Committee believes that this measure will strengthen these industries by encouraging the development of a locally-trained creative media industry workforce.

Your Committee has amended this measure by:

- (1) Clarifying that, for the purposes of the workforce development training program, it is the production, rather than the production entity, that is prequalified by the Department of Business, Economic Development, and Tourism;
- (2) Clarifying that, for the purposes of the workforce development training program, the reference to the "director" is a reference to the Director of Labor and Industrial Relations; and
- (3) Making technical nonsubstantive amendments for the purposes of consistency, clarity, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 799, H.D. 3, S.D. 1, as amended herein, and recommends that it



pass Third Reading in the form attached hereto as H.B. No. 799,  
H.D. 3, S.D. 2.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

*David Y. Ige*


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DAVID Y. IGE, Chair



The Senate  
 Twenty-Seventh Legislature  
 State of Hawai'i

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

Bill / Resolution No.:*	Committee Referral:	Date:		
HB799, HD3, SBI	EGH, WAM	4-1-13		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
IGE, David Y. (C)	✓			
KIDANI, Michelle N. (VC)	✓			
CHUN OAKLAND, Suzanne	✓			
DELA CRUZ, Donovan M.	✓			
ENGLISH, J. Kalani				✓
ESPERO, Will	✓			
KAHELE, Gilbert	✓			
KEITH-AGARAN, Gilbert S.C.		✓		
KOUCHI, Ronald D.	✓			
RUDERMAN, Russell E.	✓			
THIELEN, Laura H.		✓		
TOKUDA, Jill N.	✓			
SLOM, Sam	✓			
<b>TOTAL</b>	10	2	0	1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes