

Honolulu, Hawaii
February 11, 2014

RE: H.B. No. 2253
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which was referred H.B. No. 2253 entitled:

"A BILL FOR AN ACT RELATING TO FUNDING FOR FILM AND DIGITAL MEDIA DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to strengthen the film industry in Hawaii and enhance creative sector growth by providing the Department of Business, Economic Development, and Tourism with a means to maintain the Hawaii Film Studio and its support programs. Among other things, this bill:

- (1) Renames the Hawaii Television and Film Development Special Fund to the Hawaii Film and Digital Media Development Special Fund;
- (2) Requires revenues, fees, and charges from the rental of the Hawaii Film Studio, the processing of film permits, and the processing of the motion picture, digital media, and film production income tax credit to be deposited into the Special Fund;
- (3) Deletes provisions relating to the Hawaii Television and Film Development Board, which is no longer active and which no longer serves its intended purpose as a funding mechanism for entertainment projects;



- (4) Requires monies in the Special Fund to be used by the Department of Business, Economic Development, and Tourism to operate, repair, and maintain the Hawaii Film Studio; to support the operations of the Hawaii Film Office; for programs and initiatives for digital industry media development; and for internships and training programs to expand the skill sets of the Hawaii resident workforce in the film and digital media industry;
- (5) Repeals the Hawaii Television and Film Development Board and various duties of the Board; and
- (6) Appropriates general funds into the Special Fund and appropriates monies out of the Special Fund to maintain the Hawaii Film Studio and its support programs.

The Department of Business, Economic Development, and Tourism testified in support of this bill.

Hawaii has the status of being a dynamic and stunning film production center and is also blessed with a vibrant and growing entertainment economy. According to the Department of Business, Economic Development, and Tourism, film production activity is on the rise and on course to increase in 2014. This rise in activity is expected to have a positive impact on the economy of Hawaii through job creation, increased tax revenues, and providing Hawaii's visitor industry with priceless marketing exposure on a global scale throughout the year. However, the costs to support, manage, and maintain programs tasked with promoting and developing Hawaii as a film destination as well as the costs associated with maintaining the Hawaii Film Studio exceed present allocated funding. This measure provides a dedicated source of funding for this purpose.

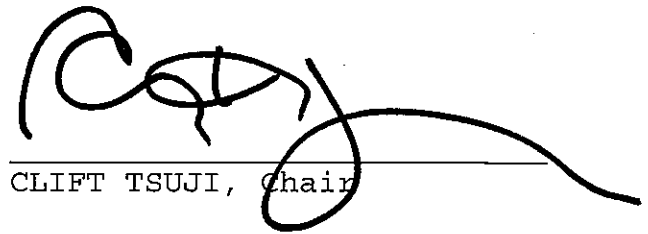
Your Committee has amended this bill by:

- (1) Changing its effective date to January 20, 2050, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.



As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2253, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2253, H.D. 1, and be referred to the Committee on Finance.

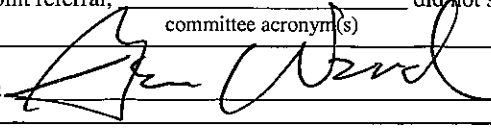
Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Business,



CLIFT TSUJI, Chair



Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: HB 2253	Committee Referral: EDB, FIN	Date: 2/4/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
EDB Members	Ayes	Ayes (WR)	Nays	Excused
1. TSUJI, Clift (C)	/			
2. WARD, Gene (VC)	/			
3. AWANA, Karen				/
4. BROWER, Tom	/			
5. CACHOLA, Romy M.	/			
6. ITO, Ken				/
7. CHOY, Isaac W.	/			
8. OHNO, Takashi				/
9. ONISHI, Richard H.K.	/			
10. TOKIOKA, James Kunane	/			
11. WOOLEY, Jessica		/		
TOTAL (11)	7	1		3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ committee acronym(s) _____ did not support recommendation.				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				