

STAND. COM. REP. NO.

2849

Honolulu, Hawaii

MAR 12 2014

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

Honorable Donna Mercado Kim  
President of the Senate  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Madam:

Your Committee on Economic Development, Government Operations and Housing, to which was referred H.B. No. 2253, H.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Expand funding sources to support the Hawaii Film Studio and Office and film and digital media industry development within the Department of Business, Economic Development, and Tourism;
- (2) Repeal statutory sections relating to the Hawaii Television and Film Development Board, which has been inactive for many years and no longer serves its original purpose;
- (3) Require Hawaii film and digital media development special fund movies to be used by the Department of Business, Economic Development, and Tourism for purposes that benefit the Hawaii Film Studio and Office and the digital media industry; and
- (4) Appropriate funds into the Hawaii film and digital media development special fund and to be expended by the



Department of Business, Economic Development, and Tourism.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism. Your Committee received testimony in opposition to this measure from one individual.

Your Committee finds that 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 priceless marketing exposure for Hawaii's visitor industry on a global scale. 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 measure by:

- (1) Inserting, as part II of this measure, the contents of S.B. No. 2776, S.D. 2, which:
  - (A) Requires the Board of Directors of the High Technology Development Corporation to establish a creative film and media park to facilitate economic growth of the creative film and media industry by locating film and media entities in a designated geographic hub;
  - (B) Designates certain properties to be included in a creative film and media park; and
  - (C) Appropriates funds to establish the creative film and media park; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



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

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development, Government  
Operations and Housing,



DONOVAN M. DELA CRUZ, Chair



