

STAND. COM. REP. NO.

2254

Honolulu, Hawaii

FEB 12 2014

RE: S.B. No. 2079  
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 S.B. No. 2079 entitled:

"A BILL FOR AN ACT RELATING TO THE MOTION PICTURES, DIGITAL MEDIA, AND FILM PRODUCTION INCOME TAX CREDIT,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require film productions to comply with federal, state, and county laws and work with the Hawaii Film Office and any appropriate state or county agency if a film production takes place on state or county property, in order to be eligible for the motion pictures, digital media, and film production income tax credit; and
- (2) Prohibit unscripted or reality television programming from qualifying for the motion pictures, digital media, and film production income tax credit.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Department of Land and Natural Resources; and Department of Taxation. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Land and Natural Resources has dealt with film productions who have engaged in film production without proper permits, violating state laws and

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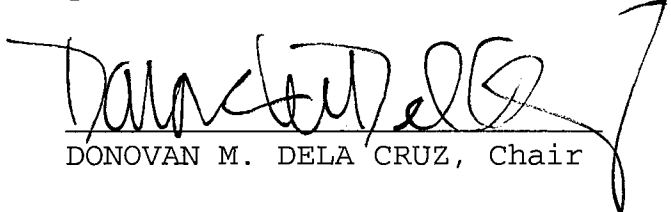
administrative rules. Promoting greater compliance with state laws and rules will serve to encourage closer collaboration between the Department of Land and Natural Resources, other regulatory agencies such as the State Film Office, and motion picture, digital media, and film production companies.

Your Committee has amended this measure by:

- (1) Deleting language that specifies certain types of laws with which the production must comply;
- (2) Inserting language that prohibits qualified production costs that have been financed with state funds from qualifying for motion pictures, digital media, and film production tax credits after July 1, 2014; and
- (3) Inserting language that prohibits soft-scripted television programming from qualifying for the motion pictures, digital media, and film production tax credit.

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 S.B. No. 2079, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2079, 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



