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# A BILL FOR AN ACT

RELATING TO THE CREATIVE MEDIA INDUSTRY.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. The purpose of this Act is to:

2 (1) Assign to the Hawaii tourism authority the  
3 responsibilities for film development and marketing;

4 (2) Transfer the film industry branch within the creative  
5 industries division of the department of business,  
6 economic development, and tourism to the Hawaii  
7 tourism authority; and

8 (3) Appropriate funds out of the film development and  
9 marketing special fund for the implementation of film  
10 development and marketing activities.

11 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is  
12 amended by adding a new part to be appropriately designated and  
13 to read as follows:

14 "PART . FILM DEVELOPMENT

15 §201B-A Definitions. As used in this part:

16 "Applicant" means a person applying for a grant under this  
17 part.



1 "Authority" means the Hawaii tourism authority.

2 "Eligible Hawaii project" or "project" means a film project  
3 in which at least seventy-five per cent of the budget for the  
4 production costs, excluding salaries and costs for the producer,  
5 director, writer, screenplay, and actors in the project, is  
6 dedicated for the purchase or lease of goods or services from a  
7 vendor or supplier who is located and doing business in the  
8 State.

9 "Film" means film, motion pictures, and television  
10 productions.

11 "Fund" means the film development and marketing special  
12 fund.

13 "Hawaii film studio" means the Hawaii film studio, with  
14 professional stages, television studios, recording studios,  
15 screening rooms, and other infrastructure for film production.

16 **§201B-B Powers and duties.** In addition to any other  
17 powers and duties provided in this chapter, the authority shall:

- 18 (1) Coordinate and manage the consolidated permit  
19 processing under section 201B-D;  
20 (2) Work with state and county departments and agencies to  
21 review and adjust permitting issues relating to public



- 1 lands, police and fire department permits, and  
2 standardization of county permitting;
- 3 (3) Coordinate the pooling of various funding sources to  
4 allow for aggressive marketing and promotion of Hawaii  
5 locations to a broad market;
- 6 (4) Have the right to inspect, at reasonable hours, the  
7 plant, physical facilities, equipment, premises,  
8 books, and records of any applicant under section  
9 201B-D in connection with the processing of a grant  
10 under section 201B-C(c) (2);
- 11 (5) Register qualified production costs for the motion  
12 picture, digital media, and film production income tax  
13 credit under section 235-17;
- 14 (6) Establish advisory groups that include persons with a  
15 working knowledge of the film industry, the county  
16 film commissions, and government departments and  
17 agencies controlling resources necessary to support  
18 development of the film and television industry in the  
19 State; and



1 (7) Set and collect rents, fees, charges, or other  
2 payments for the lease, use, or occupancy of the  
3 Hawaii film studio without regard to chapter 91.

4 §201B-C Film development and marketing special fund. (a)

5 There is established the film development and marketing special  
6 fund into which shall be deposited:

- 7 (1) Appropriations by the legislature;
- 8 (2) Revenues from the operations of the Hawaii film  
9 studio;
- 10 (3) Revenues from revenue bonds issued for a loan program  
11 pursuant to subsection (c);
- 12 (4) Gifts, grants, and other funds accepted by the  
13 authority for the purposes of this part; and
- 14 (5) All interest and revenues or receipts derived by the  
15 authority from any project or project agreements under  
16 this part.

17 (b) Moneys in the film development and marketing special  
18 fund may be:

- 19 (1) Placed in interest-bearing accounts; provided that the  
20 depository in which the money is deposited furnishes  
21 security as provided in section 38-3; or



1           (2) Otherwise invested by the authority until such time as  
2           the moneys may be needed; provided that the authority  
3           shall invest the moneys only as provided in section  
4           36-21.

5 All interest accruing from the investment of these moneys shall  
6 be credited to the film development and marketing special fund.

7           (c) The fund shall be used by the authority to assist in  
8 film office operations and marketing and the production of  
9 eligible Hawaii film and television projects that are in  
10 compliance with criteria and standards established by the  
11 authority in accordance with rules adopted by the authority  
12 pursuant to chapter 91. The authority shall adopt rules to  
13 provide for:

14           (1) Low-interest loans to provide seed money for film and  
15 television development and to support production that  
16 will create jobs, provide training, and enhance the  
17 State's visibility for such projects; and

18           (2) A grant program, subject to the following conditions:  
19           (A) The grant shall be used exclusively for eligible  
20           Hawaii projects;



- 1 (B) The applicant shall obtain all applicable
- 2 licenses and permits;
- 3 (C) The applicant shall indemnify and save harmless
- 4 the State of Hawaii and its officers, agents, and
- 5 employees from and against any and all claims
- 6 arising out of or resulting from activities
- 7 carried out or projects undertaken with funds
- 8 provided hereunder, and procure sufficient
- 9 insurance to provide this indemnification if
- 10 requested to do so by the authority; and
- 11 (D) The applicant shall submit reports to the
- 12 authority that enable the authority to monitor
- 13 the applicant's compliance with the criteria and
- 14 standards established by the authority under this
- 15 part.

16 (d) A portion of the moneys in the fund shall be used for  
17 the staffing and operation of the Hawaii film office, marketing  
18 activities and programs, and the operation and maintenance of  
19 the Hawaii film studio.

20 §201B-D Consolidated permit processing. (a) The  
21 authority shall consult with state and county agencies to

1 identify sites that may be used for projects under terms and  
2 conditions as may be determined by the state or county agency  
3 having jurisdiction over the site.

4 (b) The authority may accept an application for a permit  
5 from any person who proposes to make a motion picture,  
6 television show, television commercial, or other project at one  
7 or more sites on state or county lands, whether or not set aside  
8 under section 171-11.

9 (c) The applicant shall identify the sites to be covered  
10 by the permit and provide other information as may be required  
11 by the authority.

12 (d) The authority may approve and issue a permit to film  
13 at any of the sites identified by the appropriate state or  
14 county agency under subsection (a). If any site requested for  
15 use by the applicant is not identified under subsection (a), the  
16 authority shall consult with the appropriate state or county  
17 agency having jurisdiction over the site to obtain a permit;  
18 provided that the authority may refer the applicant to the  
19 appropriate state or county agency to obtain a permit.

20 (e) The authority is authorized to make changes to, and  
21 extensions of, any approved permits; provided that the changes



1 and extensions do not conflict with the policies, terms, and  
2 conditions set forth by the agency having jurisdiction over the  
3 site in question.

4 (f) The authority may establish memoranda of agreement or  
5 adopt rules pursuant to chapter 91 to implement this part.

6 (g) Nothing in this section shall be construed as waiving  
7 the authority of any county or the department of transportation  
8 to require a person to obtain a permit from the department of  
9 transportation or county where the production takes place on or  
10 from a public highway.

11 (h) A vessel engaged in temporary use for production  
12 purposes in accordance with a film permit issued by the  
13 authority shall not be considered to be a "commercial vessel"  
14 within the meaning of section 200-9, 200-10, or 200-39; provided  
15 that:

16 (1) The period of temporary use does not exceed fourteen  
17 hours per day, five days per week, excluding weekends,  
18 and does not exceed thirty calendar days; and

19 (2) The period of temporary use may include weekend use  
20 for film production purposes due to inclement weather  
21 conditions during the weekday period."





1 SECTION 3. Chapter 237, Hawaii Revised Statutes, is  
2 amended by adding a new section to be appropriately designated  
3 and to read as follows:

4 "§237- Hawaii film studio. This chapter shall not apply  
5 to amounts received from:

6 (1) The improvements of the Hawaii film studio as defined  
7 in section 201B-A under a financing agreement pursuant  
8 to chapter 37D; or

9 (2) The operations of the Hawaii film studio as defined in  
10 section 201B-A."

11 SECTION 4. Section 201-3, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 "§201-3 Specific research and promotional functions of the  
14 department. Without prejudice to its general functions and  
15 duties, the department of business, economic development, and  
16 tourism shall have specific functions in the following areas:

17 (1) Industrial development. The department shall:

18 (A) Determine through technical and economic surveys  
19 the profit potential of new or expanded  
20 [~~industrial~~] industry development undertakings;



- 1 (B) Develop through research projects and other means  
2 new and improved [~~industrial~~] industry specific  
3 products and processes;
- 4 (C) Promote studies and surveys to determine consumer  
5 preference as to design and quality and to  
6 determine the best methods of packaging,  
7 transporting, and marketing the State's  
8 [~~industrial~~] industry specific products;
- 9 (D) Disseminate information to assist the present  
10 industries of the State, to attract new  
11 industries to the State, and to encourage capital  
12 investment in present and new industries in the  
13 State;
- 14 (E) Assist associations of producers and distributors  
15 of [~~industrial~~] industry specific products to  
16 introduce these products to consumers; and
- 17 (F) Make grants or contracts as may be necessary or  
18 advisable to accomplish the foregoing;
- 19 (2) Land development. The department shall:



- 1 (A) Encourage the most productive use of all land in
- 2 the State in accordance with a general plan
- 3 developed by the department;
- 4 (B) Encourage the improvement of land tenure
- 5 practices on leased private lands;
- 6 (C) Promote an informational program directed to
- 7 landowners, producers of agricultural and
- 8 industrial commodities, and the general public
- 9 regarding the most efficient and most productive
- 10 use of the lands in the State; and
- 11 (D) Make grants or contracts as may be necessary or
- 12 advisable to accomplish the foregoing;
- 13 (3) Credit development. The department shall:
- 14 (A) Conduct a continuing study of agricultural and
- 15 industrial credit needs;
- 16 (B) Encourage the development of additional private
- 17 and public credit sources for agricultural and
- 18 industrial enterprises;
- 19 (C) Promote an informational program to acquaint
- 20 financial institutions with agricultural and
- 21 industrial credit needs and the potential for

1 agricultural and industrial expansion, and inform  
2 producers of agricultural and industrial products  
3 as to the manner in which to qualify for loans;  
4 and

5 (D) Make grants or contracts as may be necessary or  
6 advisable to accomplish the foregoing;

7 (4) Promotion. The department shall:

8 (A) Disseminate information developed for or by the  
9 department pertaining to economic development to  
10 assist present industry sectors in the State;

11 (B) Attract new industry and investments to the  
12 State; and

13 (C) Assist new and emerging industry with good growth  
14 potential or prospects in jobs, exports, and new  
15 products.

16 The industrial and economic promotional activities of  
17 the department may include the use of literature,  
18 advertising, demonstrations, displays, market testing,  
19 lectures, travel, [~~motion picture and slide films,~~]  
20 digital media, web promotion, and other promotional  
21 and publicity devices as may be appropriate; and



1           (5) Self-sufficiency standard. The department shall  
2           establish and update biennially a self-sufficiency  
3           standard that shall incorporate existing methods of  
4           calculation, and shall reflect, at a minimum, costs  
5           relating to housing, food, child care, transportation,  
6           health care, clothing and household expenses, federal  
7           and state tax obligations, family size, children's  
8           ages, geography, and the number of household wage  
9           earners. The department shall report to the  
10          legislature concerning the self-sufficiency standard  
11          no later than twenty days prior to the convening of  
12          the regular session of 2009, and every odd-numbered  
13          year thereafter. The recommendations shall address,  
14          among other things, the use of any federal funding  
15          that may be available for the purposes of establishing  
16          and updating the self-sufficiency standard.

17          ~~[The department shall be the central agency to coordinate~~  
18          ~~film permit activities in the State.] "~~

19          SECTION 5. Section 235-17, Hawaii Revised Statutes, is  
20          amended as follows:

21          1. By amending subsections (e) and (f) to read:



1           "(e) On or after July 1, 2006, no qualified production  
 2 cost that has been financed by investments for which a credit  
 3 was claimed by any taxpayer pursuant to section 235-110.9 is  
 4 eligible for credits under this section. For taxable years  
 5 beginning after December 31, 2014, qualified production costs  
 6 shall be reduced by the amounts received from any State agency  
 7 or body, including the Hawaii tourism authority, during the  
 8 taxable year prior to claiming the credit.

9           (f) To receive the tax credit, the taxpayer shall first  
 10 prequalify the production for the credit by registering with the  
 11 [~~department of business, economic development, and tourism~~]  
 12 Hawaii tourism authority during the development or preproduction  
 13 stage. Failure to comply with this provision may constitute a  
 14 waiver of the right to claim the credit."

15           2. By amending subsections (h) and (i) to read:

16           "(h) Every taxpayer claiming a tax credit under this  
 17 section for a qualified production shall, no later than ninety  
 18 days following the end of each taxable year in which qualified  
 19 production costs were expended, submit a written, sworn  
 20 statement to the [~~department of business, economic development,~~  
 21 ~~and tourism,~~] Hawaii tourism authority identifying:



- 1 (1) All qualified production costs as provided by  
2 subsection (a), if any, incurred in the previous  
3 taxable year;
- 4 (2) The amount of tax credits claimed pursuant to this  
5 section, if any, in the previous taxable year; and
- 6 (3) The number of total hires versus the number of local  
7 hires by category and by county.

8 This information may be reported from the [~~department of~~  
9 ~~business, economic development, and tourism~~] Hawaii tourism  
10 authority to the legislature in redacted form pursuant to  
11 subsection (i)(4).

12 (i) The [~~department of business, economic development, and~~  
13 ~~tourism~~] Hawaii tourism authority shall:

- 14 (1) Maintain records of the names of the taxpayers and  
15 qualified productions thereof claiming the tax credits  
16 under subsection (a);
- 17 (2) Obtain and total the aggregate amounts of all  
18 qualified production costs per qualified production  
19 and per qualified production per taxable year;
- 20 (3) Provide a letter to the director of taxation  
21 specifying the amount of the tax credit per qualified



1 production for each taxable year that a tax credit is  
2 claimed and the cumulative amount of the tax credit  
3 for all years claimed; and

4 (4) Submit a report to the legislature no later than  
5 twenty days prior to the convening of each regular  
6 session detailing the non-aggregated qualified  
7 production costs that form the basis of the tax credit  
8 claims and expenditures, itemized by taxpayer, in a  
9 redacted format to preserve the confidentiality of the  
10 taxpayers claiming the credit.

11 Upon each determination required under this subsection, the  
12 ~~[department of business, economic development, and tourism]~~  
13 Hawaii tourism authority shall issue a letter to the taxpayer,  
14 regarding the qualified production, specifying the qualified  
15 production costs and the tax credit amount qualified for in each  
16 taxable year a tax credit is claimed. The taxpayer for each  
17 qualified production shall file the letter with the taxpayer's  
18 tax return for the qualified production to the department of  
19 taxation. Notwithstanding the authority of the ~~[department of~~  
20 ~~business, economic development, and tourism]~~ Hawaii tourism  
21 authority under this section, the director of taxation may audit





1 and adjust the tax credit amount to conform to the information  
2 filed by the taxpayer."

3 3. By amending subsection (1) to read:

4 "(1) For the purposes of this section:

5 "Commercial":

6 (1) Means an advertising message that is filmed using  
7 film, videotape, or digital media, for dissemination  
8 via television broadcast or theatrical distribution;

9 (2) Includes a series of advertising messages if all parts  
10 are produced at the same time over the course of six  
11 consecutive weeks; and

12 (3) Does not include an advertising message with  
13 Internet-only distribution.

14 "Digital media" means production methods and platforms  
15 directly related to the creation of cinematic imagery and  
16 content, specifically using digital means, including but not  
17 limited to digital cameras, digital sound equipment, and  
18 computers, to be delivered via film, videotape, interactive game  
19 platform, or other digital distribution media.

20 "Post-production" means production activities and services  
21 conducted after principal photography is completed, including



1 but not limited to editing, film and video transfers,  
2 duplication, transcoding, dubbing, subtitling, credits, closed  
3 captioning, audio production, special effects (visual and  
4 sound), graphics, and animation.

5 "Production" means a series of activities that are directly  
6 related to the creation of visual and cinematic imagery to be  
7 delivered via film, videotape, or digital media and to be sold,  
8 distributed, or displayed as entertainment or the advertisement  
9 of products for mass public consumption, including but not  
10 limited to scripting, casting, set design and construction,  
11 transportation, videography, photography, sound recording,  
12 interactive game design, and post-production.

13 "Qualified production":

14 (1) Means a production, with expenditures in the State,  
15 for the total or partial production of a feature-  
16 length motion picture, short film, made-for-television  
17 movie, commercial, music video, interactive game,  
18 television series pilot, single season (up to  
19 twenty-two episodes) of a television series regularly  
20 filmed in the State (if the number of episodes per  
21 single season exceeds twenty-two, additional episodes



1 for the same season shall constitute a separate  
2 qualified production), television special, single  
3 television episode that is not part of a television  
4 series regularly filmed or based in the State,  
5 national magazine show, or national talk show. For  
6 the purposes of subsections (d) and (j), each of the  
7 aforementioned qualified production categories shall  
8 constitute separate, individual qualified productions;  
9 and

10 (2) Does not include:

- 11 (A) News;
- 12 (B) Public affairs programs;
- 13 (C) Non-national magazine or talk shows;
- 14 (D) Televised sporting events or activities;
- 15 (E) Productions that solicit funds;
- 16 (F) Productions produced primarily for industrial,  
17 corporate, institutional, or other private  
18 purposes; and
- 19 (G) Productions that include any material or  
20 performance prohibited by chapter 712.



1 "Qualified production costs" means the costs incurred by a  
2 qualified production within the State that are subject to the  
3 general excise tax under chapter 237 or income tax under this  
4 chapter and that have not been financed by any investments for  
5 which a credit was or will be claimed pursuant to section  
6 235-110.9. Qualified production costs include but are not  
7 limited to:

- 8 (1) Costs incurred during preproduction such as location  
9 scouting and related services;
- 10 (2) Costs of set construction and operations, purchases or  
11 rentals of wardrobe, props, accessories, food, office  
12 supplies, transportation, equipment, and related  
13 services;
- 14 (3) Wages or salaries of cast, crew, and musicians;
- 15 (4) Costs of photography, sound synchronization, lighting,  
16 and related services;
- 17 (5) Costs of editing, visual effects, music, other post-  
18 production, and related services;
- 19 (6) Rentals and fees for use of local facilities and  
20 locations, including rentals and fees for use of state  
21 and county facilities and locations that are not



1 subject to general excise tax under chapter 237 or  
2 income tax under this chapter;

3 (7) Rentals of vehicles and lodging for cast and crew;

4 (8) Airfare for flights to or from Hawaii, and interisland  
5 flights;

6 (9) Insurance and bonding;

7 (10) Shipping of equipment and supplies to or from Hawaii,  
8 and interisland shipments; and

9 (11) Other direct production costs specified by the  
10 department in consultation with the [~~department of~~  
11 ~~business, economic development, and tourism,~~ Hawaii  
12 tourism authority;

13 provided that any government-imposed fines, penalties, or  
14 interest that are incurred by a qualified production within the  
15 State shall not be "qualified production costs".

16 SECTION 6. Section 238-1, Hawaii Revised Statutes, is  
17 amended by amending the definition of "use" to read as follows:

18 "Use" (and any nounal, verbal, adjectival, adverbial, and  
19 other equivalent form of the term) herein used interchangeably  
20 means any use, whether the use is of such nature as to cause the  
21 property, services, or contracting to be appreciably consumed or



1 not, or the keeping of the property or services for such use or  
2 for sale, the exercise of any right or power over tangible or  
3 intangible personal property incident to the ownership of that  
4 property, and shall include control over tangible or intangible  
5 property by a seller who is licensed or who should be licensed  
6 under chapter 237, who directs the importation of the property  
7 into the State for sale and delivery to a purchaser in the  
8 State, liability and free on board (FOB) to the contrary  
9 notwithstanding, regardless of where title passes, but the term  
10 "use" shall not include:

11 (1) Temporary use of property, not of a perishable or  
12 quickly consumable nature, where the property is  
13 imported into the State for temporary use (not sale)  
14 therein by the person importing the same and is not  
15 intended to be, and is not, kept permanently in the  
16 State. For example, without limiting the generality  
17 of the foregoing language:

18 (A) In the case of a contractor importing permanent  
19 equipment for the performance of a construction  
20 contract, with intent to remove, and who does



- 1           remove, the equipment out of the State upon  
2           completing the contract;
- 3           (B) In the case of moving picture films imported for  
4           use in theaters in the State with intent or under  
5           contract to transport the same out of the State  
6           after completion of such use; and
- 7           (C) In the case of a transient visitor importing an  
8           automobile or other belongings into the State to  
9           be used by the transient visitor while therein  
10          but which are to be used and are removed upon the  
11          transient visitor's departure from the State;
- 12          (2) Use by the taxpayer of property acquired by the  
13          taxpayer solely by way of gift;
- 14          (3) Use which is limited to the receipt of articles and  
15          the return thereof, to the person from whom acquired,  
16          immediately or within a reasonable time either after  
17          temporary trial or without trial;
- 18          (4) Use of goods imported into the State by the owner of a  
19          vessel or vessels engaged in interstate or foreign  
20          commerce and held for and used only as ship stores for  
21          the vessels;



- 1           (5) The use or keeping for use of household goods,  
2           personal effects, and private automobiles imported  
3           into the State for nonbusiness use by a person who:  
4           (A) Acquired them in another state, territory,  
5           district, or country;  
6           (B) At the time of the acquisition was a bona fide  
7           resident of another state, territory, district,  
8           or country;  
9           (C) Acquired the property for use outside the State;  
10          and  
11          (D) Made actual and substantial use thereof outside  
12          this State;  
13          provided that as to an article acquired less than  
14          three months prior to the time of its importation into  
15          the State it shall be presumed, until and unless  
16          clearly proved to the contrary, that it was acquired  
17          for use in the State and that its use outside the  
18          State was not actual and substantial;
- 19          (6) The leasing or renting of any aircraft or the keeping  
20          of any aircraft solely for leasing or renting to  
21          lessees or renters using the aircraft for commercial





1 transportation of passengers and goods or the  
2 acquisition or importation of any such aircraft or  
3 aircraft engines by any lessee or renter engaged in  
4 interstate air transportation. For purposes of this  
5 paragraph, "leasing" includes all forms of lease,  
6 regardless of whether the lease is an operating lease  
7 or financing lease. The definition of "interstate air  
8 transportation" is the same as in 49 U.S.C. 40102;

9 (7) The use of oceangoing vehicles for passenger or  
10 passenger and goods transportation from one point to  
11 another within the State as a public utility as  
12 defined in chapter 269;

13 (8) The use of material, parts, or tools imported or  
14 purchased by a person licensed under chapter 237 which  
15 are used for aircraft service and maintenance, or the  
16 construction of an aircraft service and maintenance  
17 facility as those terms are defined in section  
18 237-24.9;

19 (9) The use of services or contracting imported for resale  
20 where the contracting or services are for resale,



1 consumption, or use outside the State pursuant to  
2 section 237-29.53(a); [and]

3 (10) The use of property, services, or contracting imported  
4 by foreign diplomats and consular officials who are  
5 holding cards issued or authorized by the United  
6 States Department of State granting them an exemption  
7 from state taxes[-]; and

8 (11) The use of material, parts, or tools imported or  
9 purchased by a person licensed under chapter 237, that  
10 are used for the Hawaii film studio as defined in  
11 section 201B-A, and improvements made to the Hawaii  
12 film studio under a financing agreement pursuant to  
13 chapter 37D.

14 With regard to purchases made and distributed under the  
15 authority of chapter 421, a cooperative association shall be  
16 deemed the user thereof."

17 SECTION 7. Section 201-14, Hawaii Revised Statutes, is  
18 repealed.

19 [~~"§201-14 Consolidated film permit processing. (a) The~~  
20 ~~department shall consult with state and county agencies in order~~  
21 ~~to identify sites that can be used for making visually recorded~~



1 ~~productions under terms and conditions as may be determined by~~  
2 ~~the state or county agency having jurisdiction over the sites.~~

3 ~~(b) The department may accept an application from any~~  
4 ~~person who proposes to make a motion picture, television show,~~  
5 ~~television commercial, or other visually recorded production at~~  
6 ~~one or more sites on state or county lands, whether or not set~~  
7 ~~aside under section 171-11.~~

8 ~~(c) The applicant shall identify the sites to be covered~~  
9 ~~by the permit and provide other information as may be required~~  
10 ~~by the department.~~

11 ~~(d) The department may approve and issue a permit to film~~  
12 ~~at any of the sites identified by the appropriate state or~~  
13 ~~county agency under subsection (a). If any site requested for~~  
14 ~~use by the applicant is not identified under subsection (a), the~~  
15 ~~department shall consult with the appropriate state or county~~  
16 ~~agency having jurisdiction over the site to obtain a permit. If~~  
17 ~~the matter of a permit cannot be resolved in this manner, the~~  
18 ~~department shall refer the application to the appropriate state~~  
19 ~~or county agency to obtain a permit.~~

20 ~~(e) The department is authorized to make changes to, and~~  
21 ~~extensions of, any approved permits so long as the changes and~~



1 ~~extensions do not conflict with the policies, terms, and~~  
2 ~~conditions set forth by the agency having jurisdiction over the~~  
3 ~~site in question.~~

4 ~~(f) The department may establish memoranda of agreement or~~  
5 ~~adopt rules to implement the intent and purposes of this~~  
6 ~~section.~~

7 ~~(g) Nothing in this section shall be construed as waiving~~  
8 ~~the authority of any county or the department of transportation~~  
9 ~~of the State to require a person to obtain a permit from the~~  
10 ~~department or county where the production takes place on or from~~  
11 ~~a public highway.~~

12 ~~(h) A vessel engaged in temporary use for film production~~  
13 ~~purposes in accordance with a film permit issued by the~~  
14 ~~department shall not be considered to be a "commercial vessel"~~  
15 ~~within the meaning of section 200-9, 200-10, or 200-39; provided~~  
16 ~~that:~~

17 ~~(1) The period of temporary use does not exceed fourteen~~  
18 ~~hours per day, five days per week, excluding weekends,~~  
19 ~~and for a period not to exceed thirty calendar days;~~  
20 ~~and~~



1       ~~(2) The department may make allowances to include weekends~~  
2           ~~for film production purposes due to inclement weather~~  
3           ~~conditions during the weekday period."]~~

4       SECTION 8. Chapter 201, part IX, Hawaii Revised Statutes,  
5 is repealed.

6       SECTION 9. All rights, powers, functions, and duties of  
7 the department of business, economic development, and tourism  
8 related to Hawaii television and film development are  
9 transferred to the Hawaii tourism authority.

10       All employees who occupy civil service positions and whose  
11 functions are transferred to the Hawaii tourism authority by  
12 this Act shall retain their civil service status, whether  
13 permanent or temporary. Employees shall be transferred without  
14 loss of salary, seniority (except as prescribed by applicable  
15 collective bargaining agreements), retention points, prior  
16 service credit, any vacation and sick leave credits previously  
17 earned, and other rights, benefits, and privileges, in  
18 accordance with state personnel laws and this Act; provided that  
19 the employees possess the minimum qualifications and public  
20 employment requirements for the class or position to which  
21 transferred or appointed, as applicable; provided further that



1 subsequent changes in status may be made pursuant to applicable  
2 civil service and compensation laws.

3 Any employee who, prior to this Act, is exempt from civil  
4 service and is transferred as a consequence of this Act may  
5 retain the employee's exempt status, but shall not be appointed  
6 to a civil service position as a consequence of this Act. An  
7 exempt employee who is transferred by this Act shall not suffer  
8 any loss of prior service credit, vacation or sick leave credits  
9 previously earned, or other employee benefits or privileges as a  
10 consequence of this Act; provided that the employees possess  
11 legal and public employment requirements for the position to  
12 which transferred or appointed, as applicable; provided further  
13 that subsequent changes in status may be made pursuant to  
14 applicable employment and compensation laws. The Hawaii tourism  
15 authority may prescribe the duties and qualifications of these  
16 employees and fix their salaries without regard to chapter 76,  
17 Hawaii Revised Statutes.

18 SECTION 10. All appropriations, records, equipment,  
19 machines, files, supplies, contracts, books, papers, documents,  
20 maps, and other personal property heretofore made, used,  
21 acquired, or held by the department of business, economic



1 development, and tourism relating to the functions transferred  
2 to the Hawaii tourism authority shall be transferred with the  
3 functions to which they relate.

4 SECTION 11. This Act shall not affect the membership or  
5 term of any appointed member of a board or other policy-making  
6 or advisory body transferred by this Act. Such a member shall  
7 continue to serve on the board or other body for the member's  
8 term without necessity of reappointment.

9 SECTION 12. There is appropriated out of the general  
10 revenues of the State of Hawaii the sum of \$ or so much  
11 thereof as may be necessary for fiscal year 2015-2016 and the  
12 same sum or so much thereof as may be necessary for fiscal year  
13 2016-2017 to be deposited into the film development and  
14 marketing special fund.

15 SECTION 13. There is appropriated out of the film  
16 development and marketing special fund the sum of \$ or  
17 so much thereof as may be necessary for fiscal year 2015-2016  
18 and the same sum or so much thereof as may be necessary for  
19 fiscal year 2016-2017 for implementation of the film development  
20 and marketing activities.



1           The sums appropriated shall be expended by the Hawaii  
2 tourism authority for the purposes of this Act.

3           SECTION 14. This Act does not affect rights and duties  
4 that matured, penalties that were incurred, and proceedings that  
5 were begun before its effective date.

6           SECTION 15. In codifying the new sections added by section  
7 2 of this Act, the revisor of statutes shall substitute  
8 appropriate section numbers for the letters used in designating  
9 the new sections in this Act.

10          SECTION 16. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12          SECTION 17. This Act shall take effect on July 1, 2053;  
13 provided that the amendments made to section 235-17, Hawaii  
14 Revised Statutes, by this Act shall not be repealed when that  
15 section is reenacted on January 1, 2019, by section 4(2) of Act  
16 88, Session Laws of Hawaii 2006, as amended by section 3 of Act  
17 89, Session Laws of Hawaii 2013.





**Report Title:**

Hawaii Tourism Authority; Transfer of Authority; Film Development and Marketing; Appropriation

**Description:**

Assigns to the Hawaii Tourism Authority the responsibilities for film development and marketing. Transfers the Film Industry Branch within the Creative Industries Division of the Department of Business, Economic Development, and Tourism to the Hawaii Tourism Authority and makes conforming amendments. Appropriates funds from the Film Development and Marketing Special Fund to the Hawaii Tourism Authority for implementation of the film development and marketing activities. (SB1155 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

