

TESTIMONY BY WESLEY K. MACHIDA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
SENATE BILL NO. 1155, S.D. 1

March 2, 2015

RELATING TO THE CREATIVE MEDIA INDUSTRY

Senate Bill No. 1155, S.D. 1: assigns to the Hawaii Tourism Authority the responsibilities for film, television, digital and new media development; repeals the film industry activities within the Department of Business, Economic Development and Tourism (DBEDT); establishes the film, television, digital, and new media development special fund; and appropriates an unspecified amount of general funds for deposit to the special fund.

The Department of Budget and Finance (B&F) defers to DBEDT regarding the merits of the bill; however, as a matter of general policy, B&F does not support the creation of any special fund which does not meet the requirements of Section 37-52.3 of the HRS. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to Senate Bill No. 1155, S.D. 1, it is difficult to determine whether the fund will be self-sustaining.

I encourage the Legislature to review the fiscal and operational plan for this program to ensure that it does conform to the requirements of Section 37-52.3, HRS.