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# A BILL FOR AN ACT

RELATING TO ECONOMIC DEVELOPMENT.

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

1 PART I

2 SECTION 1. The legislature finds that the film industry in  
3 Hawaii is an important component of a diversified economy. The  
4 legislature also finds that the motion picture, digital media,  
5 and film production income tax credit has been effective in  
6 stimulating the economy and creating quality jobs while  
7 promoting Hawaii as a visitor destination.

8 The purpose of this Act is to amend the annual cap on the  
9 motion picture, digital media, and film production income tax  
10 credit and extend its repeal date; provided that title to a  
11 certain parcel of University of Hawaii, West Oahu campus land is  
12 successfully transferred to the Hawaii technology development  
13 corporation.

14 PART II

15 SECTION 2. Section 235-17, Hawaii Revised Statutes, is  
16 amended by amending subsection (1) to read as follows:



1           "(1) The total amount of tax credits allowed under this  
2 section in any particular year shall be [~~\$35,000,000,~~]  
3 \$ \_\_\_\_\_; however, if the total amount of credits applied for  
4 in any particular year exceeds the aggregate amount of credits  
5 allowed for such year under this section, the excess shall be  
6 treated as having been applied for in the subsequent year and  
7 shall be claimed in such year; provided that no excess shall be  
8 allowed to be claimed after December 31, [~~2025,~~] 2032."

PART III

10           SECTION 3. Act 88, Session Laws of Hawaii 2006, as amended  
11 by Act 89, Session Laws of Hawaii 2013, as amended by Act 143,  
12 Session Laws of Hawaii 2017, is amended by amending section 4 to  
13 read as follows:

14           "SECTION 4. This Act shall take effect on July 1, 2006;  
15 provided that:

16           (1) Section 2 of this Act shall apply to qualified  
17 production costs incurred on or after July 1, 2006,  
18 and before January 1, [~~2026,~~] 2033; and

19           (2) This Act shall be repealed on January 1, [~~2026,~~] 2033,  
20 and section 235-17, Hawaii Revised Statutes, shall be



1 reenacted in the form in which it read on the day  
2 before the effective date of this Act."

3 PART IV

4 SECTION 4. The University of Hawaii, West Oahu campus and  
5 the Hawaii technology development corporation shall execute a  
6 memorandum of understanding that commits the parties to a no-  
7 cost lease agreement for no less than sixty-five years, and  
8 which includes a provision for the potential transfer of title  
9 to the Hawaii technology development corporation, for the  
10 thirty-acre parcel of University of Hawaii, West Oahu campus  
11 land adjacent to the intersection of Farrington Highway and  
12 Kapolei Golf Course Road, generally described by the following  
13 parameters within tax map key (TMK) #1-9-1-016-179-0000:

- 14 (1) Segment 1: 1145 feet north along the western boundary
- 15 of the TMK beginning at the westernmost point along
- 16 Farrington Highway;
- 17 (2) Segment 2: 1145 feet east along the southern boundary
- 18 of the TMK beginning at the westernmost point along
- 19 Farrington Highway and the southernmost point of
- 20 segment 1;



1 (3) Segment 3: The parallel of segment 1 connecting to  
2 the easternmost point of segment 2; and

3 (4) Segment 4: The parallel of segment 2 connecting the  
4 northernmost point of segment 3 and segment 1,  
5 to the Hawaii technology development corporation by no later  
6 than December 31, 2020.

7 The executive director of the Hawaii technology development  
8 corporation shall promptly notify the director of taxation upon  
9 successful transfer of title to the parcel described herein to  
10 the Hawaii technology development corporation.

11 SECTION 5. Parts II and III of this Act shall not take  
12 effect until the Hawaii technology development corporation  
13 obtains a memorandum of understanding that commits the parties  
14 to a no-cost lease agreement for no less than sixty-five years,  
15 and which includes a provision for the potential transfer of  
16 title to the Hawaii technology development corporation, for the  
17 thirty-acre parcel of University of Hawaii, West Oahu campus  
18 land adjacent to the intersection of Farrington Highway and  
19 Kapolei Golf Course Road, described in section 4 of this Act.



1 PART V

2 SECTION 6. This Act does not affect rights and duties that  
3 matured, penalties that were incurred, and proceedings that were  
4 begun before its effective date.

5 SECTION 7. If any provision of this Act, or the  
6 application thereof to any person or circumstance, is held  
7 invalid, the invalidity does not affect other provisions or  
8 applications of the Act that can be given effect without the  
9 invalid provision or application, and to this end the provisions  
10 of this Act are severable.

11 SECTION 8. Statutory material to be repealed is bracketed  
12 and stricken. New statutory material is underscored.

13 SECTION 9. This Act shall take effect on July 1, 2112;  
14 provided that:

- 15 (1) If the memorandum of understanding and commitment to  
16 execute a no-cost lease agreement for no less than  
17 sixty-five years for the parcel described in part IV  
18 of this Act has not been executed between the  
19 University of Hawaii, West Oahu campus and the Hawaii  
20 technology development corporation by December 31,  
21 2020, this Act shall be repealed on January 1, 2021,



1 and section 235-17, Hawaii Revised Statutes, and  
2 section 4 of Act 88, Session Laws of Hawaii 2006, as  
3 amended by Act 89, Session Laws of Hawaii 2013, as  
4 amended by Act 143, Session Laws of Hawaii 2017, shall  
5 be reenacted in the form in which those provisions  
6 read on the day before the effective date of this Act;  
7 (2) Parts II and III shall take effect on the date that  
8 the conditions set out in part IV are met; and  
9 (3) Upon taking effect, part II shall apply to taxable  
10 years beginning after December 31 of the prior  
11 calendar year.



**Report Title:**

Economic Development; Motion Picture, Digital Media, and Film Production Income Tax Credit; Extension; HTDC

**Description:**

Amends the annual \$35,000,000 rolling cap and extends the repeal date for the Motion Picture, Digital Media, and Film Production Income Tax Credit; provided that the University of Hawaii, West Oahu campus and HTDC execute a memorandum of understanding for a no-cost lease agreement for at least 65 years that includes a provision for the potential transfer of title to a certain parcel of University of Hawaii, West Oahu campus land. (SB33 HD2)

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

