



## DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**MIKE MCCARTNEY**  
Director

Department of Business, Economic Development, and Tourism  
before the

**HOUSE COMMITTEE ON LABOR, CULTURE AND THE ARTS  
AND**

**HOUSE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM**

Wednesday, March 24, 2021  
3:00 PM  
State Capitol, Conference Room 225

In consideration of  
**SCR 243 / SR 202**

**REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A  
STUDY TO CREATE A STATUTORY DEFINITION OF CREATIVE WORKERS AND  
DEVELOP RECOMMENDATIONS ON HOW THE TRANSIENT ACCOMMODATIONS  
TAX MAY BE USED TO ASSIST CREATIVE WORKERS.**

Chairs Taniguchi and Wakai, Vice Chairs Ihara and Misalucha and members of the Committees.

The Department of Business, Economic Development and Tourism (DBEDT) supports SCR 243 / SR 202 which requests the Legislative Reference Bureau to conduct a study to establish a statutory definition of “creative workers” and to develop recommendations on how the transient accommodations tax may be used to assist this sector which represents Hawaii’s creative economy.

The proposed study will help further define the role this sector plays as a key facet of our state’s economic recovery and resiliency. As noted in the 2020 DBEDT Emerging Industries reports, the creative sectors represent over 54,000 individuals and small businesses which contributed \$4.2 billion to the State’s GDP in 2019. Unfortunately many of these artists, cultural artisans, musicians, media makers and designers have been disproportionately affected financially due to the pandemic.

According to the June 2020 report by Brookings Institute, *The LOST ART: MEASURING COVID-19's DEVASTATING IMPACT ON AMERICAS CREATIVE ECONOMY*, the creative economy is one of the sectors most at risk from the COVID-19 crisis. It also notes that the State of Hawaii has been identified as one of the top 5 States with a creative sector that has been affected with job and revenue losses greater than the national average of 30.3%.

For these reasons, DBEDT welcomes the opportunity to work with the LRB, sister agencies and the community, sharing insights through our Creative Industries Division experience in these sectors.

Thank you for the opportunity to testify.



**HAWAII**

STATE FOUNDATION on  
CULTURE and the ARTS

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**TESTIMONY OF THE STATE FOUNDATION ON CULTURE AND THE ARTS  
TO THE SENATE COMMITTEE ON LABOR, CULTURE AND THE ARTS  
and the  
COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM**

**Wednesday, March 24, 2021 at 3:00 p.m. CR 225 via Videoconference  
S.C.R. 243/S.R. 202**

**RELATING TO HOW THE TRANSIENT ACCOMMODATIONS TAX  
MAY BE USED TO ASSIST CREATIVE WORKERS**

Chair Brian T. Taniguchi, Chair Wakai and members of the Committees, the State Foundation on Culture and the Arts (SFCA), **SUPPORTS** S.C.R. 243/S.R. 202.

Visitors flock to Hawaii annually to enjoy the State's amazing natural resources. Creative workers are a natural resource that supports the visitor industry. Like other natural resources, the creative sector requires support to ensure a sustainable future.

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study to create a statutory definition of creative workers and develop recommendations on how the Transient Accommodations Tax may be used to assist creative workers. The measure also urges the Bureau, when conducting the study, to consult with the Department of Business, Economic Development, and Tourism; Department of Taxation; Department of Commerce and Consumer Affairs; Department of Labor and Industrial Relations; Hawaii Tourism Authority; Hawaii State Foundation on Culture and the Arts; and Hawaii Arts Alliance.

The State Foundation on Culture and the Arts welcomes the opportunity to lend our expertise in identifying a sustainable source of financial support for this important resource of our State.

Thank you for the opportunity to submit testimony on this matter.

Charlotte A. Carter-Yamauchi  
Director

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First Assistant

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LEGISLATIVE REFERENCE BUREAU  
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## Written Comments

### SCR243

# REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY TO CREATE A STATUTORY DEFINITION OF CREATIVE WORKERS AND DEVELOP RECOMMENDATIONS ON HOW THE TRANSIENT ACCOMMODATIONS TAX MAY BE USED TO ASSIST CREATIVE WORKERS

Charlotte A. Carter-Yamauchi, Director  
Legislative Reference Bureau

Presented to the Senate Committees on Labor, Culture and the Arts; and  
Energy, Economic Development, and Tourism

Wednesday, March 24, 2021, 3:00 p.m.  
Conference Room 225

Chairs Taniguchi and Wakai and Members of the Committees:

Good morning Chairs Taniguchi and Wakai and members of the Committees. My name is Charlotte Carter-Yamauchi, and I am the Director of the Legislative Reference Bureau. Thank you for providing the opportunity to submit written **comments** on S.C.R. No. 243, Requesting the Legislative Reference Bureau to Conduct a Study to Create a Statutory Definition of Creative Workers and Develop Recommendations on How the Transient Accommodations Tax May Be Used to Assist Creative Workers.

The purpose of this measure is to request the Legislative Reference Bureau to conduct a study to create a statutory definition of creative workers and develop recommendations on how the Transient Accommodations Tax may be used to assist creative workers. The measure also urges the Bureau, when conducting the study, to consult with the Department of Business, Economic Development, and Tourism; Department of Taxation; Department of Commerce and Consumer Affairs; Department of Labor and Industrial Relations; Hawaii Tourism Authority; Hawaii State Foundation on Culture and the Arts; and Hawaii Arts Alliance.

The measure further requests the Bureau to submit a report, including any recommendations and proposed legislation, to the Legislature no later than twenty days prior to the convening of the 2022 Regular Session.

The Bureau takes no position on the merits of this measure but submits the following comments for your consideration.

With regard to requesting the Legislative Reference Bureau to conduct the study, we note that the Bureau has no specific expertise or particular experience in matters relating to the transient accommodations tax, tourism, or the creative arts. Moreover, the parameters of the requested study seem to be far too general to allow the Bureau to determine if it will be able to successfully undertake the task. The measure provides no guidance as to what factors the Bureau should consider in creating a definition of "creative workers" and to what extent the "support" of creative workers should be prioritized over other policy considerations. Due to the measure's lack of explicit guidance, the Bureau would be hard-pressed to provide any meaningful report to the Legislature on this matter.

For these reasons, the Bureau respectfully requests that, if this measure proceeds in the legislative process, amendments be made to provide explicit guidance upon which the Bureau may rely in conducting the study. In the alternative, given the Bureau's lack of expertise relating to the transient accommodations tax, tourism, and the creative arts, the policy goals of the measure's proponents may be more effectively met if the measure were amended to request the Department of Taxation, the Hawaii Tourism Authority, and the Hawaii State Foundation on Culture and the Arts to collaborate and develop an appropriate statutory definition of "creative workers" and an appropriate mechanism for using moneys from transient accommodations tax revenues to assist those workers.

If the measure is amended in accordance with the latter option, and the Committees desire to keep the Bureau involved, we would respectfully request that the measure be further amended to have the Bureau assist with only the drafting of any proposed legislation that may be a product of the foregoing agencies' findings and recommendations. Further, we would ask that those agencies submit to the Bureau by December 1, 2021, any draft documents for the proposed legislation to allow us adequate time to prepare bill drafts.

The Bureau believes that such alternative assistance would be manageable, provided that the Bureau's interim workload is not adversely impacted by too many other studies or additional responsibilities, such as conducting, writing, or finalizing other reports; drafting legislation; or both, for other state agencies, task forces, or working groups that may be requested or required under other legislative measures.

Thank you again for your consideration.

Hawai'i  
Arts  
Alliance



*Affiliated with the  
Wolf Trap Institute for Early  
Childhood Arts Integration*

*State Captain –  
Americans for the Arts*

*Member of State Arts  
Advocacy Network*

March 23, 2021

Senator Taniguchi, Chair  
Committee on Labor, Culture & the Arts

RE: SCR243 REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT A STUDY  
TO CREATE A STATUTORY DEFINITION OF CREATIVE WORKERS

Aloha Senator Taniguchi, and Committee Members,

I am writing in **SUPPORT of SCR243** to create a statutory definition of creative workers in Hawai'i. The definition needs to be broad and encompassing such that it includes traditional artists often labeled as folk artists in addition to artists labeled fine artists. Such definitions are a matter of perspective. Creative workers come from all ethnic groups and classes in Hawaii that broadly includes dance, drama, media arts, music, poetry, performance arts, theater, and visual arts.

The Creative sector has been devastated by COVID and many artists have not been able to get unemployment or PUA when it was available last year. By defining CREATIVE WORKER and using the transient accommodations funds to help support creative workers, the state would help the creative sector recover. To date, nothing has been done for the creative workers. The focus of CARES/PPP funds have been on at the institutional levels and with tourism in mind but not the gig or contract workers who are employed by institutions, hotels, restaurants, and tourist venues.

Mahalo for the opportunity to submit testimony and mahalo for your work in support of the creative sector.

Sincerely,

Teri Skillman  
Executive Director

***Creatives are 2nd Responders and Essential Workers.***

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