

**SB-1237**

Submitted on: 2/10/2023 6:14:39 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lynn Murakami Akatsuka	Individual	Support	Written Testimony Only

Comments:

I strongly support the passage of SB 1237 as it helps to diversify our economy in Hawaii. We need to support this non-polluting industry which provides many jobs for our Hawaii residents and production companies' employees spend money in our local small businesses while they are here in Hawaii.

**SB-1237**

Submitted on: 2/12/2023 10:47:18 AM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Patrick Brian Gilhooly II	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

My name is Patrick Brian Gilhooly II. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for almost 2 years and worked in the Film/TV sector of Hawai'i's entertainment industry for almost 6. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Patrick Brian Gilhooly II

Member, IATSE 665

**SB-1237**

Submitted on: 2/12/2023 12:28:34 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Christina Fitzgerald	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

My name is Christina Fitzgerald. My husband is a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. My husband has worked in the Film/TV sector of Hawai'i's entertainment industry for 5 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Christina Fitzgerald

**SB-1237**

Submitted on: 2/12/2023 2:01:01 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Keahi Kuikahi	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

My name is Keahi Kuikahi. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for 4 worked in the Film/TV sector of Hawai'i's entertainment industry for 4 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Keahi Kuikahi

Member, IATSE 665

**SB-1237**

Submitted on: 2/12/2023 2:22:40 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Nicholas Masciangelo	Individual	Support	Written Testimony Only

Comments:

My name is Nicholas Masciangelo. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 795 SD 1. I've been a member of IATSE 665 for 5 years and have worked in the Film/TV sector of Hawai'i's entertainment industry for 15 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. It is equally important to me that the recipients of this incentive provide evidence of compliance with all applicable qualifying requirements. Transparency is key in the fair administration of this incentive. It's for these reasons that I support SB 795 SD 1. Thank you for the opportunity to testify.

Sincerely,

Nicholas Masciangelo

Member, IATSE 665

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: INCOME, Extension of Film and TV Production Credit, Reorganize Hawai'i Film Office into Commission

BILL NUMBER: SB 1237

INTRODUCED BY: Senate Committee on Energy, Economic Development, and Tourism

EXECUTIVE SUMMARY: Establishes the Hawai'i Film Commission in the Department of Business, Economic Development, and Tourism. Extends the sunset date of the motion picture, digital media, and film production income tax credit to January 1, 2038. Transfers all rights, powers, functions, and duties of the Hawai'i State Film Office to the Hawai'i Film Commission. Appropriates funds for one full-time equivalent executive director position within the Hawai'i Film Commission.

SYNOPSIS: Adds a new section to chapter 201, HRS, to establish the Hawaii Film Commission, to consist of five members, one residing in each of the main counties plus the director of DBEDT, that would be appointed by the Governor with the advice and consent of the Senate.

Amends section 235-17, HRS, to change the sunset date in subsection (n) from December 31, 2032 to December 31, 2038.

Makes other technical and conforming amendments.

EFFECTIVE DATE: January 1, 2024, with the appropriation in the Act to take effect on July 1, 2023.

STAFF COMMENTS: This credit was enacted as Act 107, SLH 1997, as a percentage of the costs incurred in the State in the production of motion picture or television films. As enacted, the credit was 4% of regular production costs plus 6% of transient accommodations, mirroring the GET and TAT rates at the time. Act 156, SLH 1988, raised the TAT credit to 7.25% while also raising the TAT rate to 7.25%.

After a period where this credit took a back seat to the qualified high tech business program enacted by Act 221, SLH 2001, this credit was next amended by Act 88, SLH 2006, which added credits for digital media and replaced the GET and TAT bifurcation with a unified credit of 15% of qualified production costs incurred in the C&C of Honolulu and 20% in any other county. The act added a per-production cap of \$8 million and sunset the credit on Jan. 1, 2016.

Act 89, SLH 2013, changed the credit percentages to 20% in Honolulu and 25% in any other county; raised the per-production limit to \$15 million; and extended the sunset date to Jan. 1, 2019.

Act 143, SLH 2017, extended the sunset date for the credit to Jan. 1, 2026, and first imposed an aggregate cap of \$35 million. Act 275, SLH 2019, raised the aggregate cap to \$50 million.

Act 217, SLH 2022, changed the credit percentages to 22% in Honolulu and 27% in any other county.

We in Hawaii have had our production credit since 1997, so it's been more than twenty years. Have there been any studies about what the program has done for Hawaii's economy or Hawaii's tax revenue? None were cited to the Legislature when the Hawaii production tax credit was increased in 2013. Maybe we don't care as much about the hard dollars as we do about other intangible effects like local jobs, the development of a skilled workforce, or robust media education programs that simply weren't around at the turn of the century. Even if so, lawmakers should have data on these intangibles, and other cost-benefit information, so they can make intelligent decisions on this matter.

Certainly, the film industry promises increased opportunities. Some of them certainly have materialized. But chasing these opportunities needs to be balanced against the cold hard reality of solving the problems at hand. Lawmakers need to ask whether production tax credits create sustainable economic development. It's well known that most productions shoot for a while and then wrap; the crew that supports the production then jumps to the next one. A case may be made for the production credits if they keep the productions rolling in and contributing to the economy. But the people need to see that case to justify continued redirection of resources to these credits while those resources could instead lower the overall tax burden not only for families but for the businesses that provide long-term employment for Hawaii's people.

The Foundation has no comments on whether the Hawaii Film Office as it currently exists deserves to be replaced with a Hawaii Film Commission, but notes that the proposal is unclear on whether the commissioners are to be compensated for their service.

Digested: 1/31/2023

**SB-1237**

Submitted on: 2/13/2023 8:32:14 AM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kevin Kersting	Testifying for IATSE Local 665	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith Agaran, and members of the Senate Committee on Ways and Means.

My name is Kevin Kersting. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the State of Hawaii. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for 37 years. Worked in the Film/ TV sector of Hawaii's entertainment industry for 45 years. We depend on the motion picture, digital, media, and film/video production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,  
Kevin  
Kersting  
ember, IATSE Local 665

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February 10, 2023

Committee on Ways and Means  
Sen. Dela Cruz, Chair  
Sen. Keith-Agaran, Vice Chair

The Senate  
The Thirtieth-Second Legislature  
Regular Session of 2023

RE: SB 1237 - RELATING TO THE HAWAII FILM INDUSTRY  
DATE: Thursday, February 15, 2023  
TIME: 10:30 am  
PLACE: Conference Room 211  
State Capitol 415 South Beretania Street, Honolulu HI  
and via VIDEOCONFERENCE

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and the Members of the Committee,

We **support** this measure.

[SAG-AFTRA](#) represents over 1350 actors, recording artists, and media professionals in our state. We are professional performers working in front of the camera and behind the microphone.

The Film and Digital Media industries currently employ hundreds of Hawaii Local members, which account for thousands of jobs and millions of dollars in economic impact for the State. According to the Hawaii Department of Economic Development, Business, and Tourism, in the 2019 calendar year, the industry spent \$405 million in estimated production expenditures, generated an estimated \$707 million of economic impact, \$43.7 million in estimated tax revenues, and total job impacts of 3,303 jobs.<sup>1</sup>

We strongly support the extension of the motion picture, digital media, and film production income tax credit to January 1, 2038. With regards to the portion of the bill creating a film commission, we respectfully defer to the appropriate state, city, and county agencies.

Thank you for your time and consideration.

Respectfully,

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawaii Local

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<sup>1</sup> <https://cid.hawaii.gov/wp-content/uploads/2022/06/CID-2021-UPDATE-V1-1.pdf>

**SB-1237**

Submitted on: 2/13/2023 10:58:27 AM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Raimar Bylaardt II	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

My name is Raimar Bylaardt II. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for 18 years and worked in the Film/TV sector of Hawai'i's entertainment industry for 19 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Raimar Bylaardt II

Member, IATSE 665



**SB-1237**

Submitted on: 2/13/2023 11:47:09 AM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Fabio Bylaardt	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

I support SB 1237.

Thank you for the opportunity to testify.

**SB-1237**

Submitted on: 2/13/2023 12:16:09 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
brandon	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

My name is INSERT NAME HERE. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for 1 year and worked in the Film/TV sector of Hawai'i's entertainment industry for 5 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Brandon Tapati

Member, IATSE 665

"

**SB-1237**

Submitted on: 2/13/2023 1:11:52 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jean Simon	Individual	Support	Written Testimony Only

Comments:

Thank you for supporting our members in Hawaii.

I am supporting SB 1237.

A robust and stable incentive program is not only good for those of us who earn money as actors, crew, technicians and the creative industries, it benefits the whole state by creating living wage jobs and diversifying our economy.

I directly benefit from this film incentive program by working as an actor on the productions that come to Hawaii and the local productions that originate in Hawaii and are filmed locally.

Productions bring in a lot of money to the state. By giving back a small portion of that money we can keep a lot of people, tax paying people, employed!

Jean Simon

**SB-1237**

Submitted on: 2/13/2023 1:20:23 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kekoa Graham	Individual	Support	Written Testimony Only

Comments:

Mahalo legislators for supporting this bill, as a native Hawaiian filmmaker and UHH graduate, I appreciate the opportunities to stay here at home to pursue my chosen career. I have continually worked in the television and film industry since the late 90's, which would not have at all been possible without the tax credit and additional support previous bills like this established. I urge to please pass this bill through for all my SAG and IATSE ohana like me working in the the industry, and the new crop of folks coming up out of our great UH ACM tracks...so that can stay here at home instead of moving away to find meaningful employment. Mahalo nui again for your time senators.

**SB-1237**

Submitted on: 2/13/2023 1:39:30 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Mark Stitham	Individual	Support	Written Testimony Only

Comments:

Senators: Plse. support this bill. While states do indeed have to compete with tax credits for folm and , yes, film companies take advantage of that, the gerative effect in supporting our film industry exceeds the cost--not only in talent and tech jobs but in the ripple effect on caterers; lodging, and other support industries. PLUS, we are trying to wean oursleves away fom relying just on tourism and the miliitary. And FINALLY, the advertising for our beautiful state is free--look what the original "Hawaii 5-0" did!



**SB-1237**

Submitted on: 2/13/2023 1:47:52 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Terrie Wehrli	Individual	Support	Written Testimony Only

Comments:

Support



# UNIVERSITY OF HAWAII SYSTEM

## ‘ŌNAEHANA KULANUI O HAWAII

### Legislative Testimony

### Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented to the  
Senate Committee on Ways and Means  
Wednesday, February 15, 2023 at 10:30 a.m.

by

Christopher P. Lee, Founder/Director, Academy for Creative Media System  
on behalf of

Vassilis L. Syrmos, Vice President for Research and Innovation  
University of Hawai'i System

### SB 1237 – RELATING TO THE HAWAII FILM INDUSTRY

Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Committee:

The University of Hawai'i (UH), would like to provide comment on SB 1237 that seeks to enhance the state's successful motion picture/television/streaming production industry by extending the current film production tax credit from 2032 to 2038.

Hawai'i's Film Production Tax Credit has been a success. "...Since the passage of the film credit in 2006, spending in Hawai'i on TV/film productions has soared, with inflation-adjusted spending increasing by 116 percent between 2007 (\$164.5 million) and 2019 (\$355.6 million). This is much larger than the overall increase in Hawai'i real gross domestic product over the same period, a modest 17 percent..." – as noted by Sumner La Croix and James Mak in their March 2021 UHERO report, *Understanding the Role of the Hawaii Film/TV/Digital Production Tax Credit in Diversifying the Hawaii Economy*.

The Academy for Creative Media (ACM) at UH now supports 16 programs across all ten campuses. Thanks to the foundational and continuing support of the Legislature, students and graduates from ACM on every island are contributing to Hawai'i's creative economy with living wage jobs. With the stable and reliable film tax credit it seeks to extend, SB 1237 will help to keep these students here, and at the same time, help to diversify the local economy.

Thank you for the opportunity to provide comment.

**SB-1237**

Submitted on: 2/13/2023 3:08:44 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Todd David Sells	Individual	Support	Written Testimony Only

Comments:

Thank you for supporting our SAG members in Hawaii.

1. I support SB 1237.
2. A robust and stable incentive program is not only good for our members, crew, technicians and the creative industries, it benefits the whole state by creating living wage jobs and diversifying our economy.
3. I benefit from this film incentive program as a SAG stuntman and actor

**SB-1237**

Submitted on: 2/13/2023 3:13:38 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
james koons	Testifying for SAGAFTRA	Support	Written Testimony Only

Comments:

Mahalo for supporting Hawaii's Performing SAGAFTRA members. I am writing in support of SB1237 which is great for not only me and other actors but also crew members, technicians of all types and Hawaii's economy. I have seen first hand how Hawaii's scenery in shows makes people want to visit and see and be photo'd in filming locations.

Hawaii's competiveness in tax credits are crucial to keeping shows and films coming to Hawaii. Thank You for helping Hawaii stay competitive in attracting films and television shows showcasing our beautiful state.

Sincerely  
James Koons

**SB-1237**

Submitted on: 2/13/2023 4:07:30 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Travis Hoover	Individual	Support	Written Testimony Only

Comments:

My name is Travis Hoover. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for INSERT NUMBER worked in the Film/TV sector of Hawai'i's entertainment industry for 17 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Travis Hoover

Member, IATSE 665

COMMITTEE ON WAYS AND MEANS

Senator Donovan Dela Cruz, Chair  
Senator Gilbert S.C. Keith-Agaran, Vice Chair  
Wednesday, February 15, 2023, 10:30AM  
Conference Room 211  
State Capitol  
415 South Beretania Street  
Honolulu, HI 96813

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran and Committee Members.

Mahalo for the opportunity to provide testimony on today's bill.

**The Teamsters Local 996 and I support SB1237.**

Leadership, oversight, and transparency for the Hawaii Film Office is long overdue and we appreciate Senator Dela Cruz for introducing this bill as it will help to accomplish these things. Creative Industries and the Hawaii Film Office representatives have testified in several hearings this session that there is a lack of bandwidth to vet and enforce productions being awarded the State film tax credits, productions being given film permits to productions not using union labor and awarding tax credits into future years without a plan for how we will sustain the industry once the tax credit runs out. These are just a few of the long-standing issues that have been in the shadows but are now coming into the light. It is our hope that the proposed Hawaii Film Commission will provide the sorely needed strategic oversight, fiscal responsibility, and assurances that current and future processes and procedures will be conducted with fidelity.

With a new Hawaii Film Commission established, we have increased confidence that extending the sunset date of the-motion picture, digital media, and film production income tax credit to January 1, 2038, would be beneficial.

Mahalo, -



Michael Gueso  
Chief Steward  
Teamsters Local 996

**SB-1237**

Submitted on: 2/13/2023 7:50:51 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Patrick Jeppeson	Testifying for Local 665	Support	Written Testimony Only

Comments:

My name is Patrick Jeppeson. I'm a member of IATSE Local 665. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for 10 years. we depend on the motion picture income tax credit to remain competitive in the market. Ist for these reasons that I support SB 1237 . Thank you for the opportunity to testify .

Much Continued Success

Patrick Jeppeson

**Position:** SUPPORT

**Testimony:**

***Aloha Chair DeCoite, Vice-Chair Wakai, and members of the Senate Committee on Energy, Economic Development, and Tourism,***

***My name is Kapala Novikoff. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for 3 months worked in the Film/TV sector of Hawai'i's entertainment industry for 25 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.***

***Sincerely,***

***Kapala Novikoff***

***Member, IATSE 665***



**SB-1237**

Submitted on: 2/13/2023 4:23:50 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jacqueline Beckman	Testifying for SAG/AFTRA	Support	Written Testimony Only

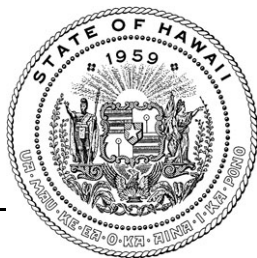
Comments:

Aloha,

I am a proud member of SAG-AFTRA and fully support this bill for the film industry as well as all the jobs it creates. We have a robust film school here in the islands as well as a lot of people employed from catering, extras and personal assistants on set. We need to keep the film industry alive as we have a serene background that only Hawaii can provide as well as opportunities for work in stunts, acting and the film crew. Jason Momoa's movie alone created hundreds of jobs for locals from my home town of Waianae all the way to the Big Island.

Mahalo for your time,

Jacqueline Beckman



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

**JOSH GREEN, M.D.**  
GOVERNOR

**CHRIS J. SADAYASU**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [dbedt.hawaii.gov](http://dbedt.hawaii.gov)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**CHRIS J. SADAYASU**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**

Wednesday, February 15, 2023  
10:30 AM  
State Capitol, Conference Room 211

In consideration of  
**SENATE BILL 1237**  
**RELATING TO THE HAWAII' I FILM INDUSTRY.**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers the following comments for SB 1237 that seeks to establish a Hawai'i Film Commission attached to DBEDT and extends the sunset date of the motion picture, digital media, and film production income tax credit to January 1, 2038.

The Hawai'i Film Office was established in 1978 and the office is a long standing member of the Association of Film Commissioners International (AFCI). AFCI recognizes the Hawai'i Film Office as the state's film commission housed in DBEDT as it has been since its inception. The Hawai'i State Film Commissioner sits on the AFCI Board as its First Vice Chair and in that board role Hawai'i has access to best practices for film commissions across the country and around the world. Likewise, all the county film offices operate within their respective Offices of Economic Development. Together they are the Film Offices of the Hawaiian Islands and have worked together for two decades to market Hawai'i as a film destination globally.

DBEDT notes that all county film offices are members of AFCI as well and are considered film commissions even though the county film commissions are all one- to two-member offices. All but one of the county film office positions are appointed by their respective mayors. In dialogue with all city and county Offices of Economic Development, what emerged was a desire to formalize a collective mission to advance Hawai'i's creative economy, anchored by film as a key economic driver.

The department's creative industries division is executing a Memoranda of Agreement (MOA) between our partner county offices. This mechanism addresses the need for statewide collaboration between state and county agencies as the department increases its workforce development, infrastructure, and business development efforts in the creative sectors, in particular film, media and entertainment industries. Many of the aspects in SB 1237 are contained in the MOA agreement. We ask that the committee consider this structure as an alternative to an attached agency at this time.

DBEDT appreciates the Legislature's desire to strengthen the film program. Extending the sunset date on the tax credit program contributes greatly to providing stability and predictability to all the productions choosing to come to Hawai'i and utilize the credit program. We must maintain a streamlined, well-functioning film commission to provide the agility and flexibility to meet the challenges and daily demands of this fast-moving sector of our state's creative economy. In the United States, almost all film commissions operate as offices in departments of economic development and tourism. Given the fiercely competitive nature of the industry on a global scale, if the state's film commission is overseen and managed by a board, this becomes cumbersome and impacts the nimble abilities in which the office must work to support all aspects of daily management of this multi-million-dollar industry.

We appreciate the Legislature's recognition of the value of our film industry to our economy. Thank you for the opportunity to testify.

**SB-1237**

Submitted on: 2/14/2023 9:05:47 AM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Lisa Mitchell	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

My name is Lisa Mitchell. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for almost 20 years, worked in the Film/TV sector of Hawai'i's entertainment industry for 30 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Lisa Mitchell

Member, IATSE 665

"

# IATSE LOCAL 665

FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS

Since 1937

INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS  
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

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Thirty-Second Legislature, State of Hawai'i  
Senate Committee on Ways and Means

Testimony by IATSE 665  
February 14th, 2023

## **S.B. 1237 - RELATING TO THE HAWAII FILM INDUSTRY.**

Aloha Chair Dela Cruz, Vice Chair Keith-Agaran, and Members of the Senate Committee,

My name is Tuia'ana Scanlan, president of IATSE Local 665, the union representing technicians in the entertainment industry in Hawai'i. **Local 665 supports SB 1237** relating to taxes.

We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create greater opportunities for growth and for locals to earn a thriving wage. Additionally, extending the sunset date will magnify the positive economic impact that this industry can provide to the state of Hawai'i. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered oversight body for this tax incentive. Properly staffed administrative support will be critical for the success of this industry. It's for these reasons that we support SB 1237.

In order to strengthen the positive impacts of the Film and TV industry in Hawai'i, IATSE Local 665 asks your committee to support SB 1237. Thank you for the opportunity to testify.

In Solidarity,



Tuia'ana Scanlan  
President, IATSE 665  
he/him/his

**SB-1237**

Submitted on: 2/14/2023 9:45:02 AM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Kelly Rice	Individual	Support	Written Testimony Only

Comments:

Aloha! I'd first like to thank the Legislature for supporting our SAG members in beautiful Hawaii. I am in SUPPORT of SB 1237. A robust and stable incentive program is not only good for our members, crew, technicians and the creative industries, it benefits the whole state by creating living wage jobs and diversifying our economy. I am a working actress for over 20 years and hope to keep booking roles on productions out here in Hawaii. I feel grateful to have worked on many productions shot on Oahu, from Lost to Magnum P.I. Every production takes months (sometimes years!) of planning. By extending the sunset date of the motion picture, digital media and film production income tax credit to January 1, 2038, countless productions can move forward in planning to shoot in our wonderful state! More productions will create more opportunities for work along with more revenue for the state. Mahalo for keeping the tv and film industry thriving in Hawaii now and into the future!

Sincerely,

Kelly Rice

**SB-1237**

Submitted on: 2/14/2023 11:01:26 AM

Testimony for WAM on 2/15/2023 10:30:00 AM



Submitted By	Organization	Testifier Position	Testify
Cathie Valdovino	Individual	Support	Written Testimony Only

Comments:

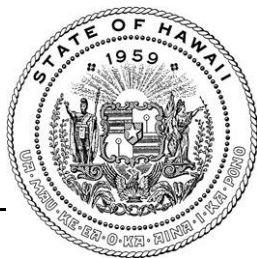
Aloha Chair Dela Cruz, Vice-Chair Keith-Agaran, and members of the Senate Committee on Ways and Means,

My name is Cathie Valdovino. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of SB 1237. I've been a member of IATSE 665 for 28 years worked in the Film/TV sector of Hawai'i's entertainment industry for 28 years. We depend on the motion picture, digital media, and film production income tax credit to remain competitive in the global market. Extending the sunset date on the motion picture, digital media, and film production income tax credit will create a greater opportunity for growth and more opportunity for locals to be paid a thriving wage. Transparency is an important aspect of the fair administration of public funds and we support the creation of an empowered, properly staffed oversight body for this tax incentive. It's for these reasons that I support SB 1237. Thank you for the opportunity to testify.

Sincerely,

Cathie Valdovino

Member, IATSE 665



**DEPARTMENT OF BUSINESS,  
ECONOMIC DEVELOPMENT & TOURISM**  
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI  
A HO'OMĀKA'IKĀ'I

**JOSH GREEN, M.D.**  
GOVERNOR

**CHRIS J. SADAYASU**  
DIRECTOR

**DANE K. WICKER**  
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813  
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804  
Web site: [dbedt.hawaii.gov](http://dbedt.hawaii.gov)

Telephone: (808) 586-2355  
Fax: (808) 586-2377

Statement of  
**CHRIS J. SADAYASU**  
Director  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON WAYS AND MEANS**  
**AMENDED TESTIMONY**  
Wednesday, February 22, 2023  
10:30 AM  
State Capitol, Conference Room 211

In consideration of  
**SENATE BILL 1237**  
**RELATING TO THE HAWAI'I FILM INDUSTRY.**

Chair Dela Cruz, Vice Chair Keith-Agaran and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) offers this amended testimony with comments for SB 1237 which seeks to establish a five-member Hawai'i Film Commission attached to DBEDT, transfers duties and functions of the state film office, appropriates funds for an executive director for the commission and extends the sunset date of the motion picture, digital media, and film production income tax credit to January 1, 2038.

DBEDT has consulted with its Deputy Attorney General and is requesting further clarification from authors of this measure and bring to your attention the following:

In Section 1, page 2, item (3), 'transfers the rights, powers, functions and duties of the Hawaii state film office to the Hawaii film commission' which would impact the current film office functions in DBEDT and its civil service staff of five.



Established in 1978 in the department, the Film Industry Branch (also known as the Hawai'i Film Office) would be eliminated should this measure pass. Further clarification is needed from introducers and HGEA, as there is no provision preserving the civil service status of the five permanent employees who comprise the film branch.

In Section 1, item (4), page 2, SB 1237 provides a funding appropriation for one FTE executive director position within the commission. No additional appropriations are specified for salaries of any personnel the commission appoints via Governor, as well as no operating funds are addressed. The measure is silent on these areas, and it remains unclear as to the continuation of the existing positions and film branch budget allotment in BED105, noting in Section 2, page 3, the language defines all positions to be 'exempt from Chapter 76'.

We call to your attention that DBEDT's CID is executing a Memoranda of Agreement (MOA) between our partner county offices of economic development which include film related activities. This mechanism addresses concerns from SLH 2022 in regard to the need for statewide collaboration between state and county agencies supporting a unified strategy for accelerating workforce development, infrastructure, and business development efforts in the creative sectors, in particular film, media and entertainment industries. Many of the aspects of what SB 1237 seeks to create are contained in the MOA agreement. We ask that the committee also consider this structure as an alternative to establishing a new commission attached to DBEDT.

In Section 2, items (1) – (4) also designate county representation on the commission as appointed by the Governor and prescribe the skillsets required. DBEDT will consult with the county Offices of Economic Development and Recovery as to how this could affect their current county film office structure, duties and positions.

What is necessary to address is any additional legal implications of the statutory responsibilities under §201-14 HRS, DBEDT for statewide film permitting and §235-17 HRS, the Motion Picture, Digital Media and Film Production Income Tax Credit program operations in the department. For the latter, Hawai'i Administrative Rules also need to be addressed, as well as the ability for legal oversight of a tax credit by a commission vs. a department. Effective 2022, CID and DBEDT Director's Office now oversee the registration and certification process for the tax credit claims. We will get back to the committee on input from our discussion with DoTAX and our respective Deputy AGs, as to the legality and function of a new attached agency assuming the administration, management and oversight of these two statutory duties.

DBEDT appreciates the Legislature's desire to strengthen our state's film industry development. As written, we feel there are multiple areas which must be addressed to understand current civil service staff impacts, ensure uninterrupted services for this important industry sector which is an economic driver for our state.

Thank you for the opportunity to testify.

JOSH GREEN M.D.  
GOVERNOR

SYLVIA LUKE  
LT. GOVERNOR



STATE OF HAWAII  
**DEPARTMENT OF TAXATION**

Ka 'Oihana 'Auhau  
P.O. BOX 259

HONOLULU, HAWAII 96809  
PHONE NO: (808) 587-1540  
FAX NO: (808) 587-1560

GARY S. SUGANUMA  
DIRECTOR

KRISTEN M.R. SAKAMOTO  
DEPUTY DIRECTOR

**TESTIMONY OF  
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

**TESTIMONY ON THE FOLLOWING MEASURE:**

S.B. No. 1237, Relating to the Hawaii Film Industry

**BEFORE THE:**

Senate Committee on Ways and Means

**DATE:** Wednesday, February 15, 2023

**TIME:** 10:30 a.m.

**LOCATION:** State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Keith-Agaran, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding S.B. 1237 for your consideration.

S.B. 1237 seeks to: (1) establish a Hawai'i Film Commission in the Department of Business, Economic Development, and Tourism, which shall be comprised of five members appointed by the governor; (2) extend the sunset date of the motion picture, digital media, and film production income tax credit ("film credit") to January 1, 2038; (3) transfer all rights, powers, functions, and duties of the Hawai'i State Film Office to the Hawai'i Film Commission; and (4) appropriate funds for an executive director position within the Hawai'i Film Commission. The bill is effective on January 1, 2024.

The Department notes that section 4 of the bill amends section 235-17(n), Hawaii Revised Statutes (HRS), by extending the period in which a taxpayer may claim the film credit, from December 31, 2032 to December 31, 2038, in the event that the total amount of credits applied for in a year exceeds the aggregate amount of credits allowed.

The Department further notes that Section 5 of the bill seeks to repeal the film credit, as established in Act 88, Session Laws of Hawaii 2006 and as subsequently amended, on January 1, 2038.

Department of Taxation Testimony  
S.B. 1237  
February 15, 2023  
Page 2 of 2

To avoid ambiguity as to whether taxpayers will be able to claim excess credits on or after the January 1, 2038 repeal date, the Department requests that section 4 of the bill, on page 6, lines 3 to 4, be amended to read: “provided that no excess shall be allowed to be claimed after December 31, 2037.”

The Department will be able to administer the tax provisions in this bill with the requested amendment by the current effective date.

Thank you for the opportunity to provide comments on this measure.

**SB-1237**

Submitted on: 2/13/2023 2:10:20 PM

Testimony for WAM on 2/15/2023 10:30:00 AM

<b>Submitted By</b>	<b>Organization</b>	<b>Testifier Position</b>	<b>Testify</b>
Jason Lee Hoy	Individual	Support	Written Testimony Only

Comments:

Aloha, I would like to express my gratitude to all legislators for supporting The Hawaii Film Industry and all it's members. I have been in the performing arts since I was a child, involved in community theater, have been a member of SAG AFTRA for seven years, and have performed in both film and television as a Hawaii Local. I am in strong support of SB 1237. It has provide myself opportunities I could have only dreamed of and would not have happened otherwise without the direct support from the State as well as the Hawaii Film Industry such as being directed by Roland Emmerich (Independence Day) and Peter Weller (Robocop). A dream for a kid who grew up in Ewa Beach. I want to thank SAG AFTRA and our legislators for a chance to speak for and support SB 1237. Mahalo, Jason Lee Hoy































































