

STAND. COM. REP. NO. 1132

Honolulu, Hawaii

MAR 03 2023

RE: S.B. No. 1237  
S.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1237 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII FILM INDUSTRY,"

begs leave to report as follows:

The purpose and intent of this measure is to facilitate film production in the State.

Specifically, the measure:

- (1) Establishes the Hawaii Film Commission and transfers certain rights, powers, functions, and duties of the existing Hawaii State Film Office to the Commission;
- (2) Establishes and appropriates \$140,000 for each of the fiscal years 2023-2024 and 2024-2035 for an executive director position within the Hawaii Film Commission; and
- (3) Extends from December 31, 2032, to December 31, 2038, the sunset date for the motion picture, digital media, and film production income tax credit.

Your Committee received written comments in support of this measure from the Screen Actors Guild - American Federation of Television and Radio Artists, Teamsters Local 996, IATSE LOCAL 665, and twenty-three individuals.



Your Committee received written comments on this measure from the University of Hawaii System; Department of Taxation; Department of Business, Economic Development, and Tourism; and Tax Foundation of Hawaii.

Your Committee finds that the film industry plays an important role in the State's economy. Your Committee believes that the administrative changes and tax credit extension proposed by this measure will improve and strengthen the industry.

Your Committee has amended this measure by:

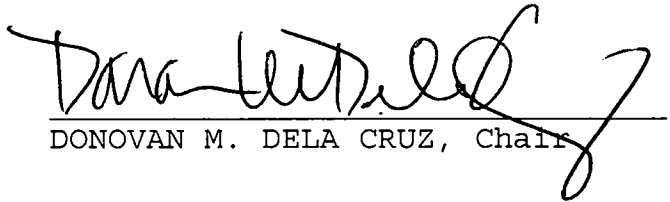
- (1) Establishing a new film studio tax credit and qualifications to claim the tax credit;
- (2) Amending the administration of the motion picture, digital media, and film production income tax credit;
- (3) Changing from \$50,000,000 to an unspecified sum the statutory annual aggregate cap amount on the motion picture, digital media, and film production income tax credit;
- (4) Requesting the Auditor to conduct a performance and financial audit of the Hawaii Film Office and appropriating an unspecified amount for the audit;
- (5) Clarifying that the person who served as the State Film Commissioner immediately before the effective date of the measure shall serve as the initial executive director of the Hawaii Film Commission, until that person resigns or until the Commission appoints a replacement, whichever occurs first;
- (6) Inserting language to facilitate the transfer of certain rights, powers, functions, and duties from the Hawaii State Film Office to the Hawaii Film Commission;
- (7) Changing to an unspecified amount the appropriation to fund the executive director position;



- (8) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (9) Making numerous technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1237, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1237, S.D. 1.

Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
Thirty-Second Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>SB 1237</b>	Committee Referral: <b>EET, WAM</b>	Date: <b>3/2/23</b>		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn	X			
INOUYE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
MORIWAKI, Sharon Y.	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>13</b>			
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original                            Yellow                            Pink                            Goldenrod File with Committee Report            Clerk's Office                            Drafting Agency                            Committee File Copy				

\*Only one measure per Record of Votes