

STAND. COM. REP. NO.

974

Honolulu, Hawaii

MAR 24 2011

RE: H.B. No. 986  
H.D. 2  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Economic Development and Technology, to which was referred H.B. No. 986, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TELEVISION AND FILM PRODUCTION,"

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require the Department of Business, Economic Development, and Tourism to establish and collect a surcharge for each film permit application it processes, with all surcharge revenues to be deposited into the Hawaii Television and Film Development Special Fund;
- (2) Include revenues received from the rental of the Hawaii film studio, film permit violation fees, and fees for processing tax incentive applications pursuant to section 235-17, Hawaii Revised Statutes, to be deposited into the Hawaii Television and Film Development Special Fund; and
- (3) Require that revenues in the Special Fund are to be used to fund the Department of Business, Economic Development, and Tourism Creative Industries Division.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and



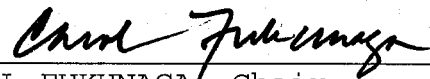
Tourism. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Department of Business, Economic Development, and Tourism's Creative Industries Division has suffered drastic reductions in this past fiscal year, losing fifty percent of its funding and staff. This measure would assist the Division and its Hawaii Film Office by generating an additional revenue stream for operations, including needed repairs and maintenance of the Hawaii Film Studio. Your Committee further finds that the proposed additional sources of revenue for these programs would contribute to the accelerated growth and enhanced sustainability of Hawaii's creative industries.

Your Committee has amended this measure by inserting an effective date of July 1, 2050, to allow for further discussion.

As affirmed by the record of votes of the members of your Committee on Economic Development and Technology that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 986, H.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 986, H.D. 2, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development and Technology,



CAROL FUKUNAGA, Chair



The Senate  
 Twenty-Sixth Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Economic Development and Technology**  
**EDT**

Bill / Resolution No.:* <b>HB986, HD2</b>	Committee Referral: <b>EDT, WAM</b>	Date: <b>3/23/11</b>
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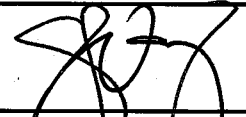
The committee is reconsidering its previous decision on this measure.  
 If so, then the previous decision was to: \_\_\_\_\_

The Recommendation is:

Pass, unamended 2312    
  Pass, with amendments 2311    
 Hold 2310    
 Recommit 2313

Members	Aye	Aye (WR)	Nay	Excused
FUKUNAGA, Carol (C)	✓			
WAKAI, Glenn (VC)	✓			
BAKER, Rosalyn H.	✓			
SOLOMON, Malama		✓		
SLOM, Sam				✓
<b>TOTAL</b>	<b>3</b>	<b>1</b>	<b>0</b>	<b>1</b>

Recommendation:  Adopted      Not Adopted

Chair's or Designee's Signature: 

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\*Only one measure per Record of Votes