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# A BILL FOR AN ACT

RELATING TO THE CREATIVE MEDIA INDUSTRY.

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

1 SECTION 1. The purpose of this Act is to:

- 2 (1) Assign to the Hawaii tourism authority the  
3 responsibilities for film, television, digital, and  
4 new media development;
- 5 (2) Repeal the film industry activities within the  
6 department of business, economic development, and  
7 tourism; and
- 8 (3) Require the Hawaii tourism authority to restructure  
9 the debt service for state obligations related to the  
10 Hawaii convention center and fund the implementation  
11 of the film, television, digital, and new media  
12 development activities for fiscal year 2012-2013 and  
13 fiscal year 2013-2014 from the savings from any debt  
14 restructuring.

15 SECTION 2. Chapter 201B, Hawaii Revised Statutes, is  
16 amended by adding a new part to be appropriately designated and  
17 to read as follows:



1 "PART . FILM, TELEVISION, DIGITAL, AND NEW MEDIA  
2 DEVELOPMENT

3 §201B-A Definitions. As used in this part:

4 "Applicant" means a person applying for a grant under this  
5 part.

6 "Authority" means the Hawaii tourism authority.

7 "Eligible Hawaii project" or "project" means a film,  
8 television, digital, or new media project in which at least  
9 seventy-five per cent of the budget for the production costs,  
10 excluding salaries and costs for the producer, director, writer,  
11 screenplay, and actors in the project, is dedicated for the  
12 purchase or lease of goods or services from a vendor or supplier  
13 who is located and doing business in the State.

14 "Fund" means the film, television, digital, and new media  
15 development special fund.

16 "Hawaii film facility" means a facility with professional  
17 stages, television studios, recording studios, film labs,  
18 screening rooms, computer facilities, and other infrastructure  
19 for film, television, digital, and new media production.

20 §201B-B Powers and duties. In addition to any other  
21 powers and duties provided in this chapter, the authority shall:



- 1 (1) Coordinate and manage the consolidated permit  
2 processing under section 201B-D;
- 3 (2) Work with state and county departments and agencies to  
4 review and adjust permitting issues relating to public  
5 lands, police and fire department permits, and  
6 standardization of county permitting;
- 7 (3) Coordinate the pooling of various funding sources to  
8 allow for aggressive marketing and promotion of Hawaii  
9 locations to a broad market;
- 10 (4) Have the right to inspect, at reasonable hours, the  
11 plant, physical facilities, equipment, premises,  
12 books, and records of any applicant under section  
13 201B-D in connection with the processing of a grant  
14 under section 201B-C(c) (2);
- 15 (5) Register qualified production costs for the motion  
16 picture, digital media, and film production income tax  
17 credit under section 235-17;
- 18 (6) Establish advisory groups that include persons with a  
19 working knowledge of the film, television, digital,  
20 and new media industry, the county film commissions,  
21 and government departments and agencies controlling  
22 resources necessary to support development of the



1 film, television, digital, and new media industry in  
2 the State;

3 (7) Set and collect rents, fees, charges, or other  
4 payments for the lease, use, or occupancy of the  
5 Hawaii film facility without regard to chapter 91;

6 (8) Notwithstanding chapter 171, acquire, lease as lessee  
7 or lessor, own, rent, hold, and dispose of the Hawaii  
8 film facility in the exercise of its powers and the  
9 performance of its duties under this part; and

10 (9) Acquire by purchase, lease, financing agreement under  
11 chapter 37D, or otherwise, and develop, construct,  
12 operate, own, manage, repair, reconstruct, enlarge, or  
13 otherwise effectuate, directly or through developers,  
14 a Hawaii film facility.

15 **§201B-C Film, television, digital, and new media**

16 **development special fund.** (a) There is established the film,  
17 television, digital, and new media development special fund into  
18 which shall be deposited:

19 (1) Appropriations by the legislature;

20 (2) Revenues from the operations of the Hawaii film  
21 facility;



1 (3) Revenues from revenue bonds issued for a loan program  
2 pursuant to subsection (c);

3 (4) Gifts, grants, and other funds accepted by the  
4 authority for the purposes of this part; and

5 (5) All interest and revenues or receipts derived by the  
6 authority from any project or project agreements under  
7 this part.

8 (b) Moneys in the film, television, digital, and new media  
9 development special fund may be:

10 (1) Placed in interest-bearing accounts; provided that the  
11 depository in which the money is deposited furnishes  
12 security as provided in section 38-3; or

13 (2) Otherwise invested by the authority until such time as  
14 the moneys may be needed; provided that the authority  
15 shall invest the moneys only as provided in section  
16 36-21.

17 All interest accruing from the investment of these moneys shall  
18 be credited to the film, television, digital, and new media  
19 development special fund.

20 (c) The fund shall be used by the authority to assist in,  
21 and provide incentives for, the production of eligible Hawaii  
22 projects that are in compliance with criteria and standards



1 established by the authority in accordance with rules adopted by  
2 the authority pursuant to chapter 91. The authority shall adopt  
3 rules to provide for:

4 (1) Low interest loans to provide seed money for film,  
5 television, digital, and new media production  
6 development and to support production that will create  
7 jobs, provide training, and enhance the State's  
8 visibility for such projects; and

9 (2) A grant program, subject to the following conditions:

10 (A) The grant shall be used exclusively for eligible  
11 Hawaii projects;

12 (B) The applicant shall obtain all applicable  
13 licenses and permits;

14 (C) The applicant shall indemnify and save harmless  
15 the State of Hawaii and its officers, agents, and  
16 employees from and against any and all claims  
17 arising out of or resulting from activities  
18 carried out or projects undertaken with funds  
19 provided hereunder, and procure sufficient  
20 insurance to provide this indemnification if  
21 requested to do so by the authority; and



1 (D) The applicant shall submit reports to the  
2 authority that enable the authority to monitor  
3 the applicant's compliance with the criteria and  
4 standards established by the authority under this  
5 part.

6 (d) A portion of the moneys in the fund shall be used for  
7 the staffing and operation of the Hawaii film office and the  
8 operation and maintenance of the Hawaii film studio.

9 **§201B-D Consolidated permit processing.** (a) The  
10 authority shall consult with state and county agencies to  
11 identify sites that may be used for projects under terms and  
12 conditions as may be determined by the state or county agency  
13 having jurisdiction over the site.

14 (b) The authority may accept an application for a permit  
15 from any person who proposes to make a motion picture,  
16 television show, television commercial, or other project at one  
17 or more sites on state or county lands, whether or not set aside  
18 under section 171-11.

19 (c) The applicant shall identify the sites to be covered  
20 by the permit and provide other information as may be required  
21 by the authority.



1 (d) The authority may approve and issue a permit to film  
2 at any of the sites identified by the appropriate state or  
3 county agency under subsection (a). If any site requested for  
4 use by the applicant is not identified under subsection (a), the  
5 authority shall consult with the appropriate state or county  
6 agency having jurisdiction over the site to obtain a permit;  
7 provided that the authority may refer the applicant to the  
8 appropriate state or county agency to obtain a permit.

9 (e) The authority is authorized to make changes to, and  
10 extensions of, any approved permits; provided that the changes  
11 and extensions do not conflict with the policies, terms, and  
12 conditions set forth by the agency having jurisdiction over the  
13 site in question.

14 (f) The authority may establish memoranda of agreement or  
15 adopt rules pursuant to chapter 91 to implement this part.

16 (g) Nothing in this section shall be construed as waiving  
17 the authority of any county or the department of transportation  
18 to require a person to obtain a permit from the department of  
19 transportation or county where the production takes place on or  
20 from a public highway.

21 (h) A vessel engaged in temporary use for production  
22 purposes in accordance with a film permit issued by the





1 authority shall not be considered to be a "commercial vessel"  
2 within the meaning of section 200-9, 200-10, or 200-39; provided  
3 that:

4 (1) The period of temporary use does not exceed fourteen  
5 hours per day, five days per week, excluding weekends,  
6 and does not exceed thirty calendar days; and

7 (2) The period of temporary use may include weekend use  
8 for film production purposes due to inclement weather  
9 conditions during the weekday period."

10 SECTION 3. Chapter 237, Hawaii Revised Statutes, is  
11 amended by adding a new section to be appropriately designated  
12 and to read as follows:

13 "§237- Hawaii film facility. This chapter shall not  
14 apply to amounts received from:

15 (1) The construction of a Hawaii film facility as defined  
16 in section 201B-A under a financing agreement pursuant  
17 to chapter 37D; or

18 (2) The operations of a Hawaii film facility constructed  
19 under a financing agreement pursuant to chapter 37D."

20 SECTION 4. Section 201-3, Hawaii Revised Statutes, is  
21 amended to read as follows:



1           "§201-3   **Specific research and promotional functions of the**  
2 **department.** Without prejudice to its general functions and  
3 duties, the department of business, economic development, and  
4 tourism shall have specific functions in the following areas:

5           (1) Industrial development. The department shall:

6           (A) Determine through technical and economic surveys  
7           the profit potential of new or expanded  
8           industrial undertakings;

9           (B) Develop through research projects and other means  
10           new and improved industrial products and  
11           processes;

12           (C) Promote studies and surveys to determine consumer  
13           preference as to design and quality and to  
14           determine the best methods of packaging,  
15           transporting, and marketing the State's  
16           industrial products;

17           (D) Disseminate information to assist the present  
18           industries of the State, to attract new  
19           industries to the State, and to encourage capital  
20           investment in present and new industries in the  
21           State;



- 1 (E) Assist associations of producers and distributors  
2 of industrial products to introduce these  
3 products to consumers; and
- 4 (F) Make grants or contracts as may be necessary or  
5 advisable to accomplish the foregoing;
- 6 (2) Land development. The department shall:
- 7 (A) Encourage the most productive use of all land in  
8 the State in accordance with a general plan  
9 developed by the department;
- 10 (B) Encourage the improvement of land tenure  
11 practices on leased private lands;
- 12 (C) Promote an informational program directed to  
13 landowners, producers of agricultural and  
14 industrial commodities, and the general public  
15 regarding the most efficient and most productive  
16 use of the lands in the State; and
- 17 (D) Make grants or contracts as may be necessary or  
18 advisable to accomplish the foregoing;
- 19 (3) Credit development. The department shall:
- 20 (A) Conduct a continuing study of agricultural and  
21 industrial credit needs;



- 1 (B) Encourage the development of additional private
- 2 and public credit sources for agricultural and
- 3 industrial enterprises;
- 4 (C) Promote an informational program to acquaint
- 5 financial institutions with agricultural and
- 6 industrial credit needs and the potential for
- 7 agricultural and industrial expansion, and inform
- 8 producers of agricultural and industrial products
- 9 as to the manner in which to qualify for loans;
- 10 and
- 11 (D) Make grants or contracts as may be necessary or
- 12 advisable to accomplish the foregoing;
- 13 (4) Promotion. The department shall:
- 14 (A) Disseminate information developed for or by the
- 15 department pertaining to economic development to
- 16 assist present industry in the State;
- 17 (B) Attract new industry and investments to the
- 18 State; and
- 19 (C) Assist new and emerging industry with good growth
- 20 potential or prospects in jobs, exports, and new
- 21 products.



1 The industrial and economic promotional activities of  
2 the department may include the use of literature,  
3 advertising, demonstrations, displays, market testing,  
4 lectures, travel, motion picture and slide films, and  
5 other promotional and publicity devices as may be  
6 appropriate; and

7 (5) Self-sufficiency standard. The department shall  
8 establish and update biennially a self-sufficiency  
9 standard that shall incorporate existing methods of  
10 calculation, and shall reflect, at a minimum, costs  
11 relating to housing, food, child care, transportation,  
12 health care, clothing and household expenses, federal  
13 and state tax obligations, family size, children's  
14 ages, geography, and the number of household wage  
15 earners. The department shall report to the  
16 legislature concerning the self-sufficiency standard  
17 no later than twenty days prior to the convening of  
18 the regular session of 2009, and every odd-numbered  
19 year thereafter. The recommendations shall address,  
20 among other things, the use of any federal funding  
21 that may be available for the purposes of establishing  
22 and updating the self-sufficiency standard.



1       ~~[The department shall be the central agency to coordinate~~  
2 ~~film permit activities in the State.] "~~

3       SECTION 5. Section 235-17, Hawaii Revised Statutes, is  
4 amended as follows:

5       1. By amending subsection (f) to read:

6       "(f) To receive the tax credit, the taxpayer shall first  
7 prequalify the production for the credit by registering with the  
8 ~~[department of business, economic development, and tourism]~~  
9 Hawaii tourism authority during the development or preproduction  
10 stage. Failure to comply with this provision may constitute a  
11 waiver of the right to claim the credit."

12       2. By amending subsections (h) and (i) to read:

13       "(h) Every taxpayer claiming a tax credit under this  
14 section for a qualified production shall, no later than ninety  
15 days following the end of each taxable year in which qualified  
16 production costs were expended, submit a written, sworn  
17 statement to the ~~[department of business, economic development,~~  
18 ~~and tourism,]~~ Hawaii tourism authority, identifying:

19       (1) All qualified production costs as provided by  
20            subsection (a), if any, incurred in the previous  
21            taxable year;



- 1           (2) The amount of tax credits claimed pursuant to this  
2           section, if any, in the previous taxable year; and
- 3           (3) The number of total hires versus the number of local  
4           hires by category (i.e., department) and by county.
- 5           (i) The [~~department of business, economic development, and~~  
6 ~~tourism~~] Hawaii tourism authority shall:
- 7           (1) Maintain records of the names of the taxpayers and  
8           qualified productions thereof claiming the tax credits  
9           under subsection (a);
- 10          (2) Obtain and total the aggregate amounts of all  
11          qualified production costs per qualified production  
12          and per qualified production per taxable year; and
- 13          (3) Provide a letter to the director of taxation  
14          specifying the amount of the tax credit per qualified  
15          production for each taxable year that a tax credit is  
16          claimed and the cumulative amount of the tax credit  
17          for all years claimed.

18          Upon each determination required under this subsection, the  
19          [~~department of business, economic development, and tourism~~]  
20          Hawaii tourism authority shall issue a letter to the taxpayer,  
21          regarding the qualified production, specifying the qualified  
22          production costs and the tax credit amount qualified for in each



1 taxable year a tax credit is claimed. The taxpayer for each  
2 qualified production shall file the letter with the taxpayer's  
3 tax return for the qualified production to the department of  
4 taxation. Notwithstanding the authority of the [~~department of~~  
5 ~~business, economic development, and tourism~~] Hawaii tourism  
6 authority under this section, the director of taxation may audit  
7 and adjust the tax credit amount to conform to the information  
8 filed by the taxpayer."

9 3. By amending subsection (1) to read:

10 "(1) For the purposes of this section:

11 "Commercial":

12 (1) Means an advertising message that is filmed using  
13 film, videotape, or digital media, for dissemination  
14 via television broadcast or theatrical distribution;

15 (2) Includes a series of advertising messages if all parts  
16 are produced at the same time over the course of six  
17 consecutive weeks; and

18 (3) Does not include an advertising message with  
19 Internet-only distribution.

20 "Digital media" means production methods and platforms  
21 directly related to the creation of cinematic imagery and  
22 content, specifically using digital means, including but not





1 limited to digital cameras, digital sound equipment, and  
2 computers, to be delivered via film, videotape, interactive game  
3 platform, or other digital distribution media (excluding  
4 Internet-only distribution).

5 "Post production" means production activities and services  
6 conducted after principal photography is completed, including  
7 but not limited to editing, film and video transfers,  
8 duplication, transcoding, dubbing, subtitling, credits, closed  
9 captioning, audio production, special effects (visual and  
10 sound), graphics, and animation.

11 "Production" means a series of activities that are directly  
12 related to the creation of visual and cinematic imagery to be  
13 delivered via film, videotape, or digital media and to be sold,  
14 distributed, or displayed as entertainment or the advertisement  
15 of products for mass public consumption, including but not  
16 limited to scripting, casting, set design and construction,  
17 transportation, videography, photography, sound recording,  
18 interactive game design, and post production.

19 "Qualified production":

20 (1) Means a production, with expenditures in the State,  
21 for the total or partial production of a feature-  
22 length motion picture, short film, made-for-television



1 movie, commercial, music video, interactive game,  
2 television series pilot, single season (up to  
3 twenty-two episodes) of a television series regularly  
4 filmed in the State (if the number of episodes per  
5 single season exceeds twenty-two, additional episodes  
6 for the same season shall constitute a separate  
7 qualified production), television special, single  
8 television episode that is not part of a television  
9 series regularly filmed or based in the State,  
10 national magazine show, or national talk show. For  
11 the purposes of subsections (d) and (j), each of the  
12 aforementioned qualified production categories shall  
13 constitute separate, individual qualified productions;  
14 and

15 (2) Does not include: daily news; public affairs  
16 programs; non-national magazine or talk shows;  
17 televised sporting events or activities; productions  
18 that solicit funds; productions produced primarily for  
19 industrial, corporate, institutional, or other private  
20 purposes; and productions that include any material or  
21 performance prohibited by chapter 712.



1 "Qualified production costs" means the costs incurred by a  
2 qualified production within the State that are subject to the  
3 general excise tax under chapter 237 or income tax under this  
4 chapter and that have not been financed by any investments for  
5 which a credit was or will be claimed pursuant to section  
6 235-110.9. Qualified production costs include but are not  
7 limited to:

- 8 (1) Costs incurred during preproduction such as location  
9 scouting and related services;
- 10 (2) Costs of set construction and operations, purchases or  
11 rentals of wardrobe, props, accessories, food, office  
12 supplies, transportation, equipment, and related  
13 services;
- 14 (3) Wages or salaries of cast, crew, and musicians;
- 15 (4) Costs of photography, sound synchronization, lighting,  
16 and related services;
- 17 (5) Costs of editing, visual effects, music, other post-  
18 production, and related services;
- 19 (6) Rentals and fees for use of local facilities and  
20 locations;
- 21 (7) Rentals of vehicles and lodging for cast and crew;



- 1 (8) Airfare for flights to or from Hawaii, and interisland
- 2 flights;
- 3 (9) Insurance and bonding;
- 4 (10) Shipping of equipment and supplies to or from Hawaii,
- 5 and interisland shipments; and
- 6 (11) Other direct production costs specified by the
- 7 department in consultation with the [~~department of~~
- 8 ~~business, economic development, and tourism.] Hawaii~~
- 9 tourism authority."

10 SECTION 6. Section 238-1, Hawaii Revised Statutes, is  
 11 amended by amending the definition of "use" to read as follows:

12 "Use" (and any nounal, verbal, adjectival, adverbial, and  
 13 other equivalent form of the term) herein used interchangeably  
 14 means any use, whether the use is of such nature as to cause the  
 15 property, services, or contracting to be appreciably consumed or  
 16 not, or the keeping of the property or services for such use or  
 17 for sale, the exercise of any right or power over tangible or  
 18 intangible personal property incident to the ownership of that  
 19 property, and shall include control over tangible or intangible  
 20 property by a seller who is licensed or who should be licensed  
 21 under chapter 237, who directs the importation of the property  
 22 into the State for sale and delivery to a purchaser in the



1 State, liability and free on board (FOB) to the contrary  
2 notwithstanding, regardless of where title passes, but the term  
3 "use" shall not include:

4 (1) Temporary use of property, not of a perishable or  
5 quickly consumable nature, where the property is  
6 imported into the State for temporary use (not sale)  
7 therein by the person importing the same and is not  
8 intended to be, and is not, kept permanently in the  
9 State. For example, without limiting the generality  
10 of the foregoing language:

11 (A) In the case of a contractor importing permanent  
12 equipment for the performance of a construction  
13 contract, with intent to remove, and who does  
14 remove, the equipment out of the State upon  
15 completing the contract;

16 (B) In the case of moving picture films imported for  
17 use in theaters in the State with intent or under  
18 contract to transport the same out of the State  
19 after completion of such use; and

20 (C) In the case of a transient visitor importing an  
21 automobile or other belongings into the State to  
22 be used by the transient visitor while therein



- 1 but which are to be used and are removed upon the  
2 transient visitor's departure from the State;
- 3 (2) Use by the taxpayer of property acquired by the  
4 taxpayer solely by way of gift;
- 5 (3) Use which is limited to the receipt of articles and  
6 the return thereof, to the person from whom acquired,  
7 immediately or within a reasonable time either after  
8 temporary trial or without trial;
- 9 (4) Use of goods imported into the State by the owner of a  
10 vessel or vessels engaged in interstate or foreign  
11 commerce and held for and used only as ship stores for  
12 the vessels;
- 13 (5) The use or keeping for use of household goods,  
14 personal effects, and private automobiles imported  
15 into the State for nonbusiness use by a person who:
- 16 (A) Acquired them in another state, territory,  
17 district, or country;
- 18 (B) At the time of the acquisition was a bona fide  
19 resident of another state, territory, district,  
20 or country;
- 21 (C) Acquired the property for use outside the State;  
22 and



1 (D) Made actual and substantial use thereof outside  
2 this State;  
3 provided that as to an article acquired less than  
4 three months prior to the time of its importation into  
5 the State it shall be presumed, until and unless  
6 clearly proved to the contrary, that it was acquired  
7 for use in the State and that its use outside the  
8 State was not actual and substantial;

9 (6) The leasing or renting of any aircraft or the keeping  
10 of any aircraft solely for leasing or renting to  
11 lessees or renters using the aircraft for commercial  
12 transportation of passengers and goods or the  
13 acquisition or importation of any such aircraft or  
14 aircraft engines by any lessee or renter engaged in  
15 interstate air transportation. For purposes of this  
16 paragraph, "leasing" includes all forms of lease,  
17 regardless of whether the lease is an operating lease  
18 or financing lease. The definition of "interstate air  
19 transportation" is the same as in 49 U.S.C. 40102;

20 (7) The use of oceangoing vehicles for passenger or  
21 passenger and goods transportation from one point to

- 1 another within the State as a public utility as  
2 defined in chapter 269;
- 3 (8) The use of material, parts, or tools imported or  
4 purchased by a person licensed under chapter 237 which  
5 are used for aircraft service and maintenance, or the  
6 construction of an aircraft service and maintenance  
7 facility as those terms are defined in section  
8 237-24.9;
- 9 (9) The use of services or contracting imported for resale  
10 where the contracting or services are for resale,  
11 consumption, or use outside the State pursuant to  
12 section 237-29.53 (a);
- 13 (10) The use of contracting imported or purchased by a  
14 contractor as defined in section 237-6 who is:
- 15 (A) Licensed under chapter 237;  
16 (B) Engaged in business as a contractor; and  
17 (C) Subject to the tax imposed under section 238-2.3;
- 18 [and]
- 19 (11) The use of property, services, or contracting imported  
20 by foreign diplomats and consular officials who are  
21 holding cards issued or authorized by the United





1 States Department of State granting them an exemption  
2 from state taxes [-]; and  
3 (12) The use of material, parts, or tools imported or  
4 purchased by a person licensed under chapter 237, that  
5 are used for a Hawaii film facility or in the  
6 construction of a Hawaii film facility as defined in  
7 section 201B-A.

8 With regard to purchases made and distributed under the  
9 authority of chapter 421, a cooperative association shall be  
10 deemed the user thereof."

11 SECTION 7. Section 201-14, Hawaii Revised Statutes, is  
12 repealed.

13 [~~"§201-14 Consolidated film permit processing. (a) The~~  
14 ~~department shall consult with state and county agencies in order~~  
15 ~~to identify sites that can be used for making visually recorded~~  
16 ~~productions under terms and conditions as may be determined by~~  
17 ~~the state or county agency having jurisdiction over the sites.~~

18 ~~(b) The department may accept an application from any~~  
19 ~~person who proposes to make a motion picture, television show,~~  
20 ~~television commercial, or other visually recorded production at~~  
21 ~~one or more sites on state or county lands, whether or not set~~  
22 ~~aside under section 171-11.~~



1       ~~(c) The applicant shall identify the sites to be covered~~  
2 ~~by the permit and provide other information as may be required~~  
3 ~~by the department.~~

4       ~~(d) The department may approve and issue a permit to film~~  
5 ~~at any of the sites identified by the appropriate state or~~  
6 ~~county agency under subsection (a). If any site requested for~~  
7 ~~use by the applicant is not identified under subsection (a), the~~  
8 ~~department shall consult with the appropriate state or county~~  
9 ~~agency having jurisdiction over the site to obtain a permit. If~~  
10 ~~the matter of a permit cannot be resolved in this manner, the~~  
11 ~~department shall refer the application to the appropriate state~~  
12 ~~or county agency to obtain a permit.~~

13       ~~(e) The department is authorized to make changes to, and~~  
14 ~~extensions of, any approved permits so long as the changes and~~  
15 ~~extensions do not conflict with the policies, terms, and~~  
16 ~~conditions set forth by the agency having jurisdiction over the~~  
17 ~~site in question.~~

18       ~~(f) The department may establish memoranda of agreement or~~  
19 ~~adopt rules to implement the intent and purposes of this~~  
20 ~~section.~~

21       ~~(g) Nothing in this section shall be construed as waiving~~  
22 ~~the authority of any county or the department of transportation~~



1 ~~of the State to require a person to obtain a permit from the~~  
2 ~~department or county where the production takes place on or from~~  
3 ~~a public highway.~~

4 ~~(h) A vessel engaged in temporary use for film production~~  
5 ~~purposes in accordance with a film permit issued by the~~  
6 ~~department shall not be considered to be a "commercial vessel"~~  
7 ~~within the meaning of section 200-9, 200-10, or 200-39; provided~~  
8 ~~that:~~

9 ~~(1) The period of temporary use does not exceed fourteen~~  
10 ~~hours per day, five days per week, excluding weekends,~~  
11 ~~and for a period not to exceed thirty calendar days;~~  
12 ~~and~~

13 ~~(2) The department may make allowances to include weekends~~  
14 ~~for film production purposes due to inclement weather~~  
15 ~~conditions during the weekday period." ]~~

16 SECTION 8. Chapter 201, part IX, Hawaii Revised Statutes,  
17 is repealed.

18 SECTION 9. All rights, powers, functions, and duties  
19 related to Hawaii television and film development are  
20 transferred to the Hawaii tourism authority. The authority may  
21 employ, without regard to chapters 76 and 78, Hawaii Revised  
22 Statutes, and at pleasure dismiss such persons as it finds



1 necessary for the performance of its functions under this Act  
2 and fix their compensation.

3 All officers and employees whose functions are transferred  
4 by this Act shall be transferred with their functions and shall  
5 continue to perform their regular duties upon their transfer,  
6 subject to state personnel laws and this Act.

7 No officer or employee of the State having tenure shall  
8 suffer any loss of salary, seniority, prior service credit,  
9 vacation, sick leave, or other employee benefit or privilege as  
10 a consequence of this Act, and such officer or employee may be  
11 transferred or appointed to a civil service position without the  
12 necessity of examination; provided that the officer or employee  
13 possesses the minimum qualifications for the position to which  
14 transferred or appointed; and provided that subsequent changes  
15 in status may be made pursuant to applicable civil service and  
16 compensation laws.

17 If an office or position held by an officer or employee  
18 having tenure is abolished, the officer or employee shall not  
19 thereby be separated from public employment, but shall remain in  
20 the employment of the State with the same pay and classification  
21 and shall be transferred to some other office or position for  
22 which the officer or employee is eligible under the personnel



1 laws of the State as determined by the head of the department or  
2 the governor.

3 SECTION 10. All appropriations, records, equipment,  
4 machines, files, supplies, contracts, books, papers, documents,  
5 maps, and other personal property heretofore made, used,  
6 acquired, or held by the department of business, economic  
7 development, and tourism relating to the functions transferred  
8 to the Hawaii tourism authority shall be transferred with the  
9 functions to which they relate.

10 SECTION 11. This Act shall not affect the membership or  
11 term of any appointed member of a board or other policy-making  
12 or advisory body transferred by this Act. Such a member shall  
13 continue to serve on the board or other body for the member's  
14 term without necessity of reappointment.

15 SECTION 12. The Hawaii tourism authority shall restructure  
16 the debt service for state obligations related to the Hawaii  
17 convention center and may enter into an agreement with the  
18 department of budget and finance to restructure such debt;  
19 provided that there is appropriated out of the convention center  
20 enterprise special fund from the savings from any debt  
21 restructuring, the sum of \$ or so much thereof as may  
22 be necessary for fiscal year 2012-2013 and the same sum or so



1 much thereof as may be necessary for fiscal year 2013-2014 to be  
2 deposited into the film, television, digital, and new media  
3 development special fund established pursuant to section 201B-C,  
4 Hawaii Revised Statutes.

5 SECTION 13. There is appropriated out of the film,  
6 television, digital, and new media development special fund the  
7 sum of \$ or so much thereof as may be necessary for  
8 fiscal year 2012-2013 and the same sum or so much thereof as may  
9 be necessary for fiscal year 2013-2014 for implementation of the  
10 film, television, digital, and new media development activities.

11 The sums appropriated shall be expended by the Hawaii  
12 tourism authority for the purposes of this Act.

13 SECTION 14. This Act does not affect rights and duties  
14 that matured, penalties that were incurred, and proceedings that  
15 were begun before its effective date.

16 SECTION 15. In codifying the new sections added by section  
17 2 of this Act, the revisor of statutes shall substitute  
18 appropriate section numbers for the letters used in designating  
19 the new sections in this Act.

20 SECTION 16. Statutory material to be repealed is bracketed  
21 and stricken. New statutory material is underscored.



1 SECTION 17. This Act shall take effect on July 1, 2050;  
2 provided that sections 12 and 13 shall take effect on July 1,  
3 2012; provided further that the amendments made to section  
4 235-17, Hawaii Revised Statutes, by this Act shall not be  
5 repealed when that section is reenacted on January 1, 2016, by  
6 section 4(2) of Act 88, Session Laws of Hawaii 2006.



**Report Title:**

Hawaii Tourism Authority; Film, Television, Digital, and New Media Development; Appropriation

**Description:**

Assigns to the Hawaii tourism authority the responsibilities for film, television, digital, and new media development. Repeals the film industry activities within the department of business, economic development, and tourism and makes conforming amendments. Requires the Hawaii tourism authority to restructure the debt service for state obligations related to the convention center. Appropriates funds from the savings from any such restructuring to be deposited into the film, television, digital, and new media development special fund for fiscal year 2012-2013 and fiscal year 2013-2014. Appropriates funds from the special fund to the Hawaii tourism authority for implementation of the film, television, digital, and new media development activities. Effective 7/1/2050. (SD1)

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

