

Honolulu, Hawaii  
February 18, 2016

RE: H.B. No. 2298  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Economic Development & Business, to which  
was referred H.B. No. 2298 entitled:

"A BILL FOR AN ACT RELATING TO FUNDING FOR CREATIVE MEDIA AND  
FILM DEVELOPMENT,"

begs leave to report as follows:

The purpose of this measure is to support the work of the  
Hawaii Film Office in maintaining and enhancing Hawaii's film  
industry by, among other things:

- (1) Renaming the Hawaii Television and Film Development  
Special Fund as the Creative Media and Film  
Infrastructure Special Fund (Special Fund);
- (2) Broadening the sources of revenue that may be deposited  
into the Special Fund;
- (3) Amending the purposes for which the Special Fund may be  
used; and
- (4) Repealing the Hawaii Film and Television Development  
Board.

The Department of Business, Economic Development, and Tourism  
(DBEDT) and Kauai County—Office of Economic Development testified  
in support of this measure.



According to DBEDT, Hawaii's film industry brings in an estimated \$200,000,000 to \$250,000,000 in production revenues per year, a figure that is expected to increase in 2016. The Hawaii Film Office in the Creative Industries Division of DBEDT is involved in all aspects of this industry, including fulfilling its statutory duties for film permitting, tax incentive management, and studio operations and management. With enhancements to the motion picture, digital media, and film production income tax credit program, the demands on the Hawaii Film Office, which has been operating with limited staff and resources, have exceeded its capacity.

Your Committee finds that while positions and some funding have been restored, the costs to support productions, manage the motion picture, digital media, and film production income tax credit program, and maintain the Hawaii Film Studio far exceed the existing general fund allocations for the Hawaii Film Office. Broadening the sources of revenue for the special fund that supports the Hawaii Film Office would provide a funding mechanism for the Hawaii Film Office to perform its statutory duties and support programs to maintain and enhance Hawaii's film industry.

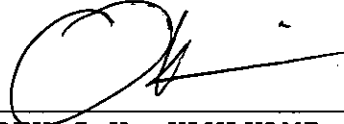
Your Committee has amended this measure by:

- (1) Changing its effective date to February 19, 2022, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Business that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2298, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2298, H.D. 1, and be referred to your Committee on Finance.



Respectfully submitted on  
behalf of the members of the  
Committee on Economic  
Development & Business,



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DEREK S.K. KAWAKAMI, Chair



State of Hawaii  
House of Representatives  
The Twenty-eighth Legislature

HSCR 397-16

Record of Votes of the Committee on Economic Development & Business

Bill/Resolution No.: <b>HB 2298</b>	Committee Referral: <b>EDB, FIN</b>	Date: <b>9 FEB 16</b>		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
<b>EDB Members</b>	<b>Ayes</b>	<b>Ayes (WR)</b>	<b>Nays</b>	<b>Excused</b>
1. KAWAKAMI, Derek S.K. (C)	✓			
2. KONG, Sam Satoru (VC)	✓			
3. BROWER, Tom	✓			
4. CACHOLA, Romy M.	✓			
5. CHOY, Isaac W.	✓			
6. DECOITE, Lynn	✓			
7. ITO, Ken				✓
8. OHNO, Takashi	✓			
9. ONISHI, Richard H.K.	✓			
10. TOKIOKA, James Kunane	✓			
11. TSUJI, Clift	✓			
12. WOODSON, Justin H.	✓			
13. MATSUMOTO, Lauren Kealohilani	✓			
14. WARD, Gene	✓			
<b>TOTAL (14)</b>	<b>13</b>			<b>1</b>
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>James S. King</i></u>				
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