

JAN 25 2023

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# A BILL FOR AN ACT

RELATING TO THE HAWAII FILM INDUSTRY.

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

1           SECTION 1. The legislature finds that the Hawaii film  
2 industry is an important component of a diversified economy.  
3 The legislature also finds that motion picture, digital media,  
4 and film production have been effective in stimulating the  
5 economy and creating quality jobs in the State. Strategic focus  
6 and organization are paramount in developing and maintaining  
7 Hawaii as a premier filming location and the development of a  
8 local film workforce to provide both above the line and below  
9 the line expertise in pre-production, production, and post-  
10 production.

11           The purpose of this Act is to:

- 12           (1) Establish the Hawaii film commission;
- 13           (2) Extend the sunset date of the motion picture, digital  
14           media, and film production income tax credit to  
15           January 1, 2038;



1           (3) Transfer the rights, powers, functions, and duties of  
 2           the Hawaii state film office to the Hawaii film  
 3           commission; and

4           (4) Appropriate funds for one full-time equivalent  
 5           (1.0 FTE) executive director position within the  
 6           Hawaii film commission.

7           SECTION 2. Chapter 201, Hawaii Revised Statutes, is  
 8           amended by adding a new section to be appropriately designated  
 9           and to read as follows:

10           "§201- Hawaii film commission; established. (a) There  
 11 is established within the department of business, economic  
 12 development, and tourism for administrative purposes only a  
 13 commission to be known as the Hawaii film commission. The  
 14 commission shall consist of five members who shall be appointed  
 15 by the governor in the manner prescribed in section 26-34,  
 16 except as otherwise provided in this section; provided that:

17           (1) One member shall reside in the county of Hawaii;

18           (2) One member shall reside in the city and county of  
 19           Honolulu;

20           (3) One member shall reside in the county of Kauai;

21           (4) One member shall reside in the county of Maui; and



1       (5) The director of business, economic development, and  
2       tourism or the director's designated representative  
3       shall serve as an ex officio voting member of the  
4       commission.

5       (b) Each member identified in paragraphs (1) through (4)  
6       of subsection (a) shall have knowledge, interest, and proven  
7       expertise in one or more of the following fields:

- 8       (1) Accounting;
- 9       (2) Banking;
- 10      (3) Corporate management;
- 11      (4) Finance;
- 12      (5) Film production;
- 13      (6) Management;
- 14      (7) Marketing and promotion; or
- 15      (8) Real estate.

16      (c) Members shall be subject to the gift reporting  
17      requirements of section 84-11.5.

18      (d) Notwithstanding any law to the contrary, the  
19      commission shall be subject to chapter 92.

20      (e) The commission shall appoint an executive director and  
21      other additional personnel as necessary to enable the commission



1 to perform the duties of the commission. Employees of the  
2 commission shall be exempt from chapter 76, and shall not be  
3 considered civil service employees.

4 (f) The commission shall fix the compensation of the  
5 executive director and other commission personnel.

6 (g) The Hawaii state film commissioner shall serve as the  
7 executive director of the commission. The executive director  
8 shall:

9 (1) Report to the commission; and

10 (2) Be subject to the oversight of the commission."

11 SECTION 3. Section 121-19, Hawaii Revised Statutes, is  
12 amended to read as follows:

13 **"§121-19 Regulations governing armories, etc.** Any law to  
14 the contrary notwithstanding, the adjutant general may make  
15 regulations to establish procedures governing the care and  
16 custody of department of defense facilities that are either set  
17 aside to the department of defense or on license from the  
18 federal government. The adjutant general may permit the use of  
19 or may temporarily rent to national guard units or other county,  
20 state, or federal government agency sponsoring or co-sponsoring  
21 meetings, classes, or other activities; hosting athletic events



1 or competitions; billeting personnel in conjunction with  
2 sanctioned events such as agency-sponsored conferences or  
3 classes, agency-sponsored athletic or recreation programs,  
4 government-sponsored public hearings or meetings, unit-sponsored  
5 youth organizations and activities, or public school sponsored  
6 classes, dances, plays, and concerts; nonprofit or eleemosynary  
7 organizations conducting a community or group activity; and film  
8 production enterprise activities promoted and coordinated  
9 through the [~~Hawaii film industry branch,~~] department of  
10 business, economic development, and [~~tourism, such~~] tourism's  
11 Hawaii film commission, portions as will not interfere with the  
12 military use thereof. The adjutant general shall establish the  
13 rentals to be charged for their use and all net proceeds  
14 received from the rentals shall be deposited into the general  
15 fund of the State. Chapter 91 shall not apply."

16 SECTION 4. Section 235-17, Hawaii Revised Statutes, is  
17 amended by amending subsection (n) to read as follows:

18 "(n) The total amount of tax credits allowed under this  
19 section in any particular year shall be \$50,000,000; however, if  
20 the total amount of credits applied for in any particular year  
21 exceeds the aggregate amount of credits allowed for that year



1 under this section, the excess shall be treated as having been  
2 applied for in the subsequent year and shall be claimed in the  
3 subsequent year; provided that no excess shall be allowed to be  
4 claimed after December 31, [~~2032~~] 2038."

5 SECTION 5. Act 88, Session Laws of Hawaii 2006, as amended  
6 by Act 89, Session Laws of Hawaii 2013, as amended by Act 143,  
7 Session Laws of Hawaii 2017, as amended by Act 217, Session laws  
8 of Hawaii 2022, is amended by amending section 4 to read as  
9 follows:

10 "SECTION 4. This Act shall take effect on July 1, 2006;  
11 provided that:

12 (1) Section 2 of this Act shall apply to qualified  
13 production costs incurred on or after July 1, 2006,  
14 and before January 1, [~~2033~~] 2038; and

15 (2) This Act shall be repealed on January 1, [~~2033~~] 2038,  
16 and section 235-17, Hawaii Revised Statutes, shall be  
17 reenacted in the form in which it read on the day  
18 before the effective date of this Act."

19 SECTION 6. All rights, powers, functions, and duties of  
20 the Hawaii state film office are transferred to the Hawaii film  
21 commission.



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1 SECTION 7. There is appropriated out of the general  
2 revenues of the State of Hawaii the sum of \$140,000 or so much  
3 thereof as may be necessary for fiscal year 2023-2024 and the  
4 same sum or so much thereof as may be necessary for fiscal year  
5 2024-2025 to fund one full-time equivalent (1.0 FTE) executive  
6 director position within the Hawaii film commission.

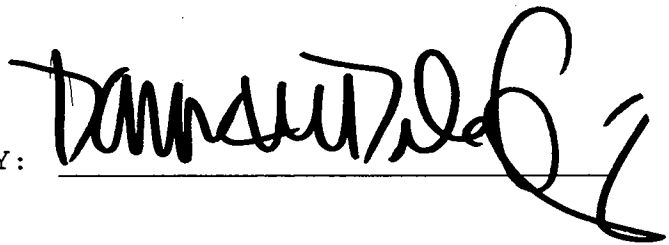
7 The sums appropriated shall be expended by the Hawaii film  
8 commission for the purposes of this Act.

9 SECTION 8. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 9. This Act shall take effect on January 1, 2024;  
12 provided that section 7 of this Act shall take effect on July 1,  
13 2023.

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INTRODUCED BY: \_\_\_\_\_



# S.B. NO. 1237

**Report Title:**

Hawaii Film Commission; Hawaii State Film Office; Department of Business, Economic Development, and Tourism; Motion Picture, Digital Media, and Film Production Income Tax Credit; Appropriation

**Description:**

Establishes the Hawaii 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 Hawaii State Film Office to the Hawaii Film Commission. Appropriates funds for one full-time equivalent executive director position within the Hawaii Film Commission.

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

