

Honolulu, Hawaii

FEB 19 2016

RE: S.B. No. 2790
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Economic Development, Environment, and
Technology, to which was referred S.B. No. 2790 entitled:

"A BILL FOR AN ACT RELATING TO FILM AND DIGITAL MEDIA
INDUSTRY DEVELOPMENT,"

begs leave to report as follows:

The purpose and intent of this measure is to extend the
motion picture, digital media, and film production income tax
credit for an additional five years to provide stability and
economic incentive predictability for the film industry, allow
Hawaii to remain competitive in attracting qualified productions,
and generate additional revenue, jobs, and tourism marketing
exposure.

Your Committee received testimony in support of this measure
from the Department of Business, Economic Development and Tourism;
Department of Taxation; NBC Universal Media, LLC; CBS Corporation;
SAG-AFTRA Hawaii Local; I.A.T.S.E. Local 665; American Federation
of Musicians' Local 677; and Hawaii Teamsters & Allied Workers
Local 996. Your Committee received comments on this measure from
the Tax Foundation of Hawaii.

Your Committee finds that the film industry in Hawaii is an
important component of a diversified economy and that the motion
picture, digital media, and film production income tax credit has
been effective in stimulating the economy and creating quality
jobs in a clean industry while promoting Hawaii as a visitor
destination. Your Committee further finds that the film



production process can extend over several years due to extensive planning and development in the preproduction stage; therefore, the motion picture, digital media, and film production income tax credit's current sunset date of January 1, 2019, should be extended well in advance of the sunset date to prevent the discouragement of new productions that may be in the development and preproduction phases at that point in time.

Your Committee has amended this measure by:

- (1) Inserting language to require the Department of Business, Economic Development, and Tourism to submit an annual report to the Legislature on the activities and expenditures of the motion picture, digital media, and film production income tax credit; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Economic Development, Environment, and Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2790, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2790, S.D. 1, and be referred to your Committee on Ways and Means.

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



GLENN WAKAI, Chair



The Senate
Twenty-Eighth Legislature
State of Hawai'i

Record of Votes
Committee on Economic Development, Environment, and Technology
EET

Bill / Resolution No.:* SB 2790	Committee Referral: EET, WAM	Date: 2/5/16		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-between; align-items: flex-start;"> <div style="text-align: center;"><input type="checkbox"/> Pass, unamended 2312</div> <div style="text-align: center;"><input checked="" type="checkbox"/> Pass, with amendments 2311</div> <div style="text-align: center;"><input type="checkbox"/> Hold 2310</div> <div style="text-align: center;"><input type="checkbox"/> Recommit 2313</div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
WAKAI, Glenn (C)	X			
SLOM, Sam (VC)	X			
BAKER, Rosalyn H.				X
ESPERO, Will	X			
GALUTERIA, Brickwood	X			
IHARA, Jr., Les				X
KEITH-AGARAN, Gilbert S.C.				X
RUDERMAN, Russell E.				X
THIELEN, Laura H.	X			
TOTAL	5	0	0	4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: <div style="display: flex; justify-content: space-around; font-size: small;"> Original File with Committee Report Yellow Clerk's Office Pink Drafting Agency Goldenrod Committee File Copy </div>				

*Only one measure per Record of Votes