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Statement of
MIKE MCCARTNEY
Director
Department of Business, Economic Development, and Tourism
before the
SENATE COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT & TOURISM

Monday, February 3, 2020
2:55 PM
State Capitol, Conference Room 414

In consideration of
SB 2855
**RELATING TO THE HAWAII FILM AND CREATIVE INDUSTRIES
DEVELOPMENT SPECIAL FUND.**

Chair Wakai, Vice Chair Taniguchi and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) strongly supports SB 2855, an Administration bill that provides necessary language to allow appropriation out of the Hawaii Film and Creative Industries Development special fund to provide the Department of Business, Economic Development, and Tourism Creative Industries Division to fulfill the intent and expend moneys deposited into the special fund. The Bill also makes a housekeeping and technical amendment.

Act 228, Session Laws of Hawaii 2019, renamed the Hawaii television and film development special fund as the Hawaii film and creative industries development special fund to align with the increased export of support creative intellectual property development, workforce expansion across sectors, and marketing programs which promote the growth of the film, creative and media industries. However, the Act did not include an appropriation into or out of the special fund.

While an appropriation into the special fund is not being proposed in this bill, an appropriation out of the special fund is included, so that any grants or contributions received by the department from other sources that are deposited into the special fund may be expended.

This Bill would also serve to clarify language in Act 228 (19), Section 201-113, HRS to correct and eliminate non sequitur wording which references issuing grants for Hawaii projects. The seed funding for IP development is a matching fund program, not a grant program. These changes have been recommended by the Attorney General's office who expressed concerns regarding terminology and suggested redacting this reference.

Non-passage of this Bill would affect interpretation of the statute, particularly as it relates to the use of the special fund, as well as stall the department's ability to effectuate the Act in support of creative and media entrepreneurs as stated in the purpose section of Act 228.

We appreciate the ability to work with the Legislature to address these technical and other amendments. Thank you for the opportunity to testify.