

**DEPARTMENT OF BUSINESS,
ECONOMIC DEVELOPMENT & TOURISM**
KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI
A HO'OMĀKA'IKĀ'I

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

No. 1 Capitol District Building, 250 South Hotel Street, 5th Floor, Honolulu, Hawaii 96813
Mailing Address: P.O. Box 2359, Honolulu, Hawaii 96804
Web site: dbedt.hawaii.gov

Telephone: (808) 586-2355
Fax: (808) 586-2377

Statement of
CHRIS J. SADAYASU
Director
Department of Business, Economic Development, and Tourism
before the

**SENATE COMMITTEES ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
AND WAYS AND MEANS**

Tuesday, April 4, 2023
1:00 PM
State Capitol Conference Room 211

In consideration of
HB1373, HD2
RELATING TO WORKFORCE DEVELOPMENT.

Chairs DeCoite and Dela Cruz, Vice Chairs Wakai and Keith-Agaran, and members of the Committees. The Department of Business, Economic Development and Tourism (DBEDT) offers comments on HB1373, HD2, which seeks to add a new section to HRS 235-17 which provides an incentive rebate program for independent film and television productions of an unspecified percentage of Hawaii W-2 wages, an unspecified cap per employee, an unspecified limit on total rebates that an eligible employer may receive, and sets other parameters and requires the department to remit payment of the rebate within 30 days of the filer submitting the required documentation to DBEDT to then be reviewed and certified for payment.

It is unclear as to the source of funds which would be required to establish this rebate program as well as the Department's authority to issue rebate payments.

The Department requests consideration of increasing the proposed timeframe for remittance to be, at minimum, 90 days. Given the new HRS 235-17 section parameters

and required duties for DBEDT, we request the addition of one FTE at an SR26 level, exempt from Chapter 76, to provide a dedicated position, to be part of the two-person tax credit team with the industry-specific expertise necessary to manage all statutorily mandated tax credits and workforce rebate programs.

On page 3, Section 2, line 10, an effective date of July 1, 2024, would be necessary and is feasible only if DBEDT has adequate staffing in place, and has initiated and promulgated new Hawaii Administrative Rules for this new section. Sources of funding, the capped amount on the annual Workforce rebate program and percentages are yet to be determined.

Thank you for the opportunity to testify.

JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259

HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 1373, H.D. 2, Relating to Workforce Development

BEFORE THE:

Senate Committee on Energy, Economic Development, Tourism and Senate Committee on Ways and Means

DATE: Tuesday, April 4, 2023

TIME: 1:00 p.m.

LOCATION: State Capitol, Room 211

Chairs DeCoite and Dela Cruz, Vice-Chairs Wakai and Keith-Agaran, and Members of the Committees:

The Department of Taxation ("Department") offers the following comments regarding H.B. 1373, H.D. 2, for your consideration.

H.B. 1373, H.D. 2, creates a workforce development incentive rebate ("rebate") program, to be administered by the Department of Business, Economic Development, and Tourism (DBEDT), to incentivize local independent film and television productions. Section 2, page 4, lines 4 through 9 of the bill, provides that an eligible employer who claims the rebate shall not be eligible for the motion picture, digital media, and film production income tax credit ("film credit") for the same project and the rebate issued under the program will not be subject to income tax or general excise tax. Additionally, section 3, page 6, lines 5 through 7 of the bill, provides that any taxpayer who claims the film credit shall not be eligible for the rebate for the same project. The bill has a defective effective date of June 30, 3000, provided that section 3 applies to taxable years beginning after December 31, 2022.

The Department defers to DBEDT regarding its ability to administer the rebate program in connection with the film credit, and requests that if any amendments are made to this measure, that the third-party administration of this rebate be kept in place.

The Department estimates no material revenue impact as a result of the tax

Department of Taxation Testimony
H.B. 1373 H.D. 2
April 4, 2023
Page 2 of 2

provisions in this bill.

The Department further notes that it is able to administer section 3 of this bill, as written, by the current effective date.

Thank you for the opportunity to provide comments on this measure.

Committee on Energy, Economic
Development & Tourism
Sen. Decoite, Chair
Sen. Wakai, Vice Chair

Committee on Ways and Means
Sen. Dela Cruz, Chair
Sen. Keith-Agaran, Vice Chair

The Senate
The Thirtieth-Second
Legislature
Regular Session of 2023

RE: HB 1373 HD 2 RELATING TO WORKFORCE DEVELOPMENT

DATE: Tuesday, April 4, 2023

TIME: 1:00 pm

PLACE: Conference Room 211

State Capitol 415 South Beretania Street, Honolulu HI

Aloha Chairs Decoite, and Dela Cruz, Vice Chairs Wakai, and Keith-Agaran, and the members of the committees,

Thank you for the opportunity to testify in SUPPORT of HB 1373 HD 2 RELATING TO WORKFORCE DEVELOPMENT.

SAG-AFTRA represents over 1350 actors, stunt performers, recording artists, and media professionals in our state. We are professional performers working in front of the camera and behind the microphone.

This measure is important to SAG-AFTRA and the Hawaii Local Members for two reasons:

1. HB 1373 HD 2 “encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions.” Independent films and lower-budget projects provide wages for our members and create more opportunities for local actors, performers, and stunt people to hone their craft; thus growing a better-prepared, more attractive workforce ready to be hired for more roles on bigger-budget studio projects.

Mericia Palma Elmore, Executive Director
SAG-AFTRA Hawaii Local
mericia.palmaelmore@sagaftra.org
201 Merchant St. Suite 2301
Honolulu, HI 96813
Ph: 808-596-0388 Fax: 808-593-2636

SCREEN ACTORS GUILD - AMERICAN
FEDERATION OF
TELEVISION AND RADIO ARTISTS
SAGAFTRA.org
Associated Actors & Artistes of America / AFL-CIO

2. HB 1373 HD 2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget films/tv productions.¹ Misclassifying employees as independent contractors rob them of state and federally-mandated employee protections, leading to potentially uninsured injury claims, wage theft, and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections.

For reference here is a graphic created by the [US Department of Labor](#) showing the differences between independent contractors and employees.

Thank you for your continued support of our SAG-AFTRA Hawaii Local members, creative industry workers, and the independent film community in our state. We welcome the opportunity to discuss this further.

Respectfully,

Mericia Palma Elmore

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawaii Local

¹ More information on the myths about the misclassification of workers is provided by the US Department of Labor, found [here](#).

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM

Senator Lynn DeCoite, Chair

Senator Glenn Wakai, Vice Chair

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair

Senator Gilbert S.C. Keith-Agaran, Vice Chair

Tuesday, April 4, 2023, 1:00PM

Conference Room 211

State Capitol

415 South Beretania Street

Honolulu, HI 96813

Aloha Chairs DeCoite and Dela Cruz, Vice-Chairs Wakai and Keith-Agaran and Committee Members.

Mahalo for the opportunity to provide testimony on today's bill. **The Teamsters Local 996 support HB1373 with amendments.**

The Teamsters Local 996 are here to today to champion the protections of our valued workforce and to ensure a robust economy for Hawaii. We are in support of expanding and sustaining the film and television industry in Hawaii.

We humbly request that in addition to the tax proposal outlined in HB1373, that consideration be made to include the following:

1. Extending the current film tax credit sunset date
2. Increasing the annual film tax credit cap to \$75,000,000
3. Adding in safeguards to ensure that productions are engaging with local unions and hiring Hawaii residents and utilizing Hawaii-base businesses for goods and services
4. Providing a film studio tax credit to encourage the development of sorely needed production facilities across the State.

We need to grow the film and television industry and infrastructure, while we build and support our local workforce and small businesses. We humbly and respectfully ask for your support to include these critical amendments.

Mahalo,

Mike Gueso

Chief Steward

Teamsters Local 996



LATE

The Senate
The Thirty-Second Legislature
Regular Session of 2023

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

RE: HB 1373, HD2 RELATING TO WORKFORCE DEVELOPMENT

Date: Tuesday, April 4, 2023
Time: 1:00 p.m.
Conference Room 211 & Videoconference
State Capitol
415 South Beretania Street

April 3, 2023

From: Roy Tjioe and Ricardo Galindez
Island Film Group
99-1245 Halawa Valley St.
Aiea, HI 96701
808-536-7955

Aloha Chairs DeCoite and Dela Cruz, Vice Chairs Wakai and Keith-Agaran, and
Members of the Committees:

Our Background

Island Film Group is a locally owned and operated production company. We began

working in Hawaii’s film and television industry in 2001 as attorneys at Goodwill Anderson Quinn & Stifel, where we represented filmmakers and other production companies. Since our formation of Island Film Group in 2007, we have been working full-time as producers of feature films such as “Princess Ka’iulani” and “Soul Surfer”, network and cable television movies and series, as well as a variety of commercial productions.

We **SUPPORT** HB 1373 HD2, which provides an alternative to the motion picture, digital media, and film production income tax credit for smaller, independent local productions.

Currently, the process to claim the production tax credit, HRS 235-17 (“PTC”), is both expensive and time-consuming. Voluminous reports are required, the tax department regulations relating to the tax credit are confusing and cumbersome, and it can take more than two years to receive the tax credit. While these issues do not deter large-budget projects, the burden on smaller, local independent projects is substantial.

Smaller projects, with total budgets in the range of \$5m and wages in the range of \$2m, generally rely more heavily on local crew members since the cost of hiring a non-resident crew member can exceed \$2,000 per week in additional costs (airfare, hotel, per diem, car rental, etc.).

HB 1373 HD2 will **directly benefit smaller, local film and television productions by encouraging the hiring of local crew members** in order to qualify for the rebate.

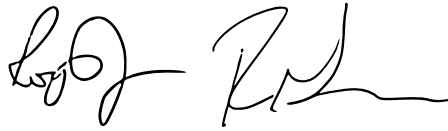
In addition, some smaller projects may also attempt to pay crew members as independent contractors to save money. That practice does not meet state/federal labor laws, subjects local crew members to potentially uninsured injury claims, and results in a reduction in state tax and unemployment insurance collections. HB 1373 HD2 **requires that the production obtain a general excise tax license, hire crewmembers as W-2 workers, and secure production insurance that protects local workers** to receive the benefits of this incentive.

Following is an example of how the proposed Workforce Development Rebate would be applied:

*Production Budget	\$3M
*W2 Wages	\$1M
*50% wage rebate	\$500k
(Compare with PTC (22%))	\$660k)

In short, this program will establish a **strong incentive** that will be **much simpler for the State to administer** than the production tax credit.

Me ke aloha,

Handwritten signatures of Roy Tjioe and Ricardo Galindez.

Roy Tjioe and Ricardo Galindez
Co-Founders
Island Film Group

HB-1373-HD-2

Submitted on: 4/1/2023 5:30:49 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Daniel Rosner	Testifying for Hawaii Media Inc.	Support	Written Testimony Only

Comments:

I am President of Hawaii Media Inc. which rents grip, lighting and camera equipment to film and television productions shot in Hawaii. I strongly support HB1373 HD2 as it will encourage the growth of local production and incentivize much needed local workforce development in our industry. Mahalo.

IATSE LOCAL 665

FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS

Since 1937

INTERNATIONAL ALLIANCE OF THEATRICAL STAGE EMPLOYEES, MOVING PICTURE TECHNICIANS, ARTISTS AND ALLIED CRAFTS
OF THE UNITED STATES, ITS TERRITORIES AND CANADA, AFL-CIO, CLC

Thirty-Second Legislature, State of Hawai'i
Senate Committee on Energy, Economic Development, & Tourism
Senate Committee on Ways and Means

Testimony by IATSE 665
April 4th, 2023

H.B. 1373 HD2 - RELATING TO WORKFORCE DEVELOPMENT

Aloha Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees


My name is Tuia'ana Scanlan, president of IATSE Local 665, the union representing technicians in the entertainment industry in Hawai'i. **Local 665 supports HB1373 HD2.**

This bill encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers.

HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections.

A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. In order to strengthen the positive impacts of the Film and TV industry in Hawai'i, IATSE Local 665 asks your committees to support HB 1373 HD2. Thank you for the opportunity to testify.

In Solidarity,

A handwritten signature in black ink, appearing to read "Tuia'ana Scanlan". The signature is fluid and cursive, with the first name "Tuia" and the last name "Scanlan" clearly distinguishable.

Tuia'ana Scanlan
President, IATSE 665
he/him/his

IATSE LOCAL 665
FILM, TELEVISION, STAGE, PROJECTION AND TRADESHOWS
Since 1937

The Thirty-Second Legislature, State of Hawai'i
Hawai'i State Senate, Regular Session 2023
Hawaii State Capitol
415 South Beretania Street

April 3, 2023

RE: HB 1373 HD2 – RELATING TO WORKFORCE DEVELOPMENT

COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT AND TOURISM

Senator Lynn DeCoite, Chair
Senator Glenn Wakai, Vice Chair

COMMITTEE ON WAYS AND MEANS

Senator Donovan M. Dela Cruz, Chair
Senator Gilbert S.C. Keith-Agaran, Vice Chair

DATE: Tuesday, April 4, 2023

TIME: 1:00 PM

PLACE: Conference Room 211 & Videoconference

Aloha, Chairs DeCoit and Dela Cruz, Vice Chairs Wakai and Keith-Agaran and members of the Senate Committees:

Mahalo for your continued support of Hawai'i's vibrant and diverse film industry. The IATSE Local 665 represents technicians and artists in the entertainment industry across all Hawaiian Islands. I am writing in **SUPPORT of HB1373, HD 2** to help nurture our smaller local film and television productions.

It is a natural progression for film and television workers to start their careers on smaller format projects such as local commercials and independent projects. This is a vital step in developing the confidence, leadership skills, craft proficiency and experience of our workers. By increasing smaller projects, there will be more opportunities for film workers to develop these skills, increasing their ability to take on larger projects.

This bill would work hand-in-hand with the State's long-term goal of diversifying the economy and continuing to grow our film industry. It would provide much-needed help to local producers, writers and directors and give an invigorating new start to the graduates of the University of Hawai'i's Academy for Creative Media programs at UH-Manoa and UH-West Oahu.

Those who qualify for this rebate program would be ineligible to apply for the Hawai'i Film Tax Program, and the W-2 language would help to clarify the roles of the employees and simplify the tracking of the bill. Please support HB 1373 HD 2 and help to diversify our vibrant film economy.

Respectfully,

Irish Barber
Business Representative

Aloha Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees

My name is Lukas Seno I'm a member and Vice President of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 22 years and have worked in the Film/TV sector of Hawai'i's entertainment industry for 27 years.

HB 1373 HD2 encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers.

HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections.

HB 1373 HD2 is a bill that specifically gives more opportunity to our keiki and young workers here in Hawaii by promoting a tangible and solid foundation for career pathways in the film industry here at home. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,
Lukas Seno
Vice President
IATSE 665

HB-1373-HD-2

Submitted on: 4/1/2023 2:26:23 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keahi Kuikahi	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees

My name is Keahi S Kuikahi. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 5 years worked in the Film/TV sector of Hawai'i's entertainment industry for 5 years. This bill encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,

Keahi S Kuikahi

Member, IATSE 665

April 1, 2023

My name is Kapala Novikoff. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 5 months worked in the Film/TV sector of Hawai'i's entertainment industry for 25 years. This bill encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,

A handwritten signature in black ink that reads "Kapala Novikoff". The signature is written in a cursive, flowing style.

Member, IATSE 665

HB-1373-HD-2

Submitted on: 4/1/2023 9:05:16 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Raimar Bylaardt II	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees

My name is Raimar Bylaardt II. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 20 years worked in the Film/TV sector of Hawai'i's entertainment industry for 20 years. This bill encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,

Member, IATSE 665

"

HB-1373-HD-2

Submitted on: 4/2/2023 10:40:06 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jonathan Hanks	Testifying for IATSE #665 Member	Support	Written Testimony Only

Comments:

Aloha

My name is Jonathan Hanks, I am a member of IATSE 665.

Please Support HB1373.

Mahalo,

Jonathan Hanks

HB-1373-HD-2

Submitted on: 4/2/2023 7:06:59 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Kevin Kersting	Testifying for IATSE Local 665	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees

My name is Kevin Kersting. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 36 yrs, worked in the Film/TV sector of Hawai'i's entertainment industry for 46 years. This bill encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,

Kevin Kersting

Member, IATSE 665

HB-1373-HD-2

Submitted on: 4/2/2023 11:40:12 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Waipakawiwoole Parker	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees,

My name is Waipākawiwo‘ole Parker. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 5 years and worked in the Film/TV sector of Hawai'i's entertainment industry for 8 years. This bill encourages the growth of local independent film and television productions by requiring the Department of Business Economic Development and Tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for your leadership and the opportunity to testify.

Sincerely,

Waipākawiwo‘ole Parker

Member, IATSE 665

HB-1373-HD-2

Submitted on: 4/3/2023 12:09:47 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Ted Sakamoto	Testifying for 665	Support	Written Testimony Only

Comments:

My name is Ted Sakamoto. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665. I've worked in the Film/TV sector of Hawai'i's entertainment industry for 11 years. This bill encourages the growth of local independent film and television productions by requiring the Department of Business, Economic Development and Tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,

Ted sakamoto

Member, IATSE 665

HB-1373-HD-2

Submitted on: 4/3/2023 9:47:36 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Catherine Valdovino	Testifying for IATSE local 665	Support	Written Testimony Only

Comments:

My name is Catherine Valdovino. I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 28 years and worked in the Film/TV sector of Hawai'i's entertainment industry for 25 years. This bill encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB 1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,

Catherine Valdovino

Member, IATSE 665

THE SENATE
THE THIRTY-SECOND LEGISLATURE REGULAR SESSION OF 2023
COMMITTEE ON ENERGY, ECONOMIC DEVELOPMENT, AND TOURISM
Senator Lynn DeCoite, Chair, Senator Glenn Wakai, Vice Chair

COMMITTEE ON WAYS AND MEANS
Senator Donovan M. Dela Cruz, Chair, Senator Gilbert S.C. Keith-Agaran, Vice Chair

Tuesday, April 4, 2023 1:00pm State Capitol Conference Room 211 & Videoconference

H.B. 1373 HD 2 - RELATING TO WORKFORCE DEVELOPMENT

April 3, 2023

Aloha,
Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees.

My name is Henry Fordham. I've been a member of IATSE Mixed Local 665 since 1997, the Union that represents Entertainment Technicians & Artisans in the State of Hawai'i. I submit this testimony in support of HB 1373 HD2.

As a Mixed Local, we provide skilled personnel to Television/Motion Picture Production, and additionally, Theatre, Concert, Tradeshow & Convention Labor, throughout the entire State of Hawaii. Many of Our Members have worked/do work across all of these various disciplines, to make a sustainable living for our families, myself included.

Personally, some 20+ years ago, IATSE Low Budget TV/Motion Picture Productions, produced and/or co-produced by Hawaii based entities (29 Down, Beyond the Break, Soul Surfer and more), allowed me the opportunity to build/strengthen my knowledge and skills as a Company Grip, Best Boy Grip and Key Grip. This led to being called for work, as a local, qualified hire on numerous Motion Pictures with Industry renowned individuals, through 2010.

From 2011-2016, I served as IATSE Local 665 Business Representative. I conferred with many of you Committee Members during that legislative time frame.

Since 2016, I have continued to work in my crafts, across these disciplines. For the past 3 ½ years, I have been primarily employed as Best Boy Production Grip on Magnum P.I. S2 & S3 & NCIS:Hawaii S1 & (just wrapped last week) S2. I also work with Theater & Show Riggers. During these past 6 years, I have worked alongside a great number of talented young workers, that have honed their skills and crafts, working on the low budget productions referenced in HB 1373 HD2.

Over the past decade+, and specifically through the COVID pandemic, the Entertainment & Television/Motion Picture Industry, Locally & Nationally have validated our resilience and innovative progress to provide safe work environments and opportunities for our Members and Local ancillary service companies and providers. On the Neighbor Islands, most of our resident members work across all represented Trade Crafts, as work is available. On Maui, Temptation Island was the 1st production to emerge during the onset of the Pandemic. Hawaii Island and Kauai have also benefitted from COVID protocol productions.

This bill encourages the growth of local independent film and television productions by requiring the DBEDT to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers (as described above).

HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections.

A robust and stable incentive program that incorporates workforce development incentives is not only good for our Members/Technicians, and the Creative Industries, it benefits the whole State of Hawaii.

For these reasons, I support HB 1373 HD2. Thank you for this opportunity to testify.

Sincerely,
Henry Fordham
Member, IATSE 665

HB-1373-HD-2

Submitted on: 3/31/2023 12:38:39 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lisa Romano	Individual	Support	Written Testimony Only

Comments:

Aloha! My name is Lisa Romano. I am a working actress in our beloved state of Hawaii. Please pass and sign into law this bill. Mahalo, Lisa Romano

HB-1373-HD-2

Submitted on: 3/31/2023 2:05:57 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Paul Janes-Brown	Individual	Support	Written Testimony Only

Comments:

Aloha Chairs DeCoite and Delacruz, and Vice Chairs Keith-Agaran and Leader Wakai and members of the EET and WAM committees,

My name is Paul Janes-Brown, I live on Maui. I have been a member of the Screen Actors Guild since 1995, long before it merged with AFTRA. When I came to Maui in 1997, I had the opportunity to appear in several local independent film productions. This bill, HB 1373 HD2 protects our members from being misclassified as independent contractors, thus insuring their employment mandated benefits, protections and deductions are maintained. Protecting our membership from potential uninsured injury claims, wage theft and other negative consequences.

Furthermore this bill encourages local independent producers through its well thought out workforce development incentive program. It will create more opportunities for local actors, performers and stunt people to work, thus providing them with the experience they need to be considered for the bigger budget studio projects.

This bill is a win for workers, producers and the State. I hope you will look favorably up it. Mahalo nui loa.

Paul Janes-Brown

Pukalani, Maui

808-268-1740

pjbmaui@gmail.com

HB-1373-HD-2

Submitted on: 3/31/2023 2:58:21 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
james koons	Individual	Support	Written Testimony Only

Comments:

Thank You for supporting our members. I am in support of HB1373 HD2 which creates a robust and stable incentive program that incorporates workforce development incentives good for not only our members, crew, technicians and the creative industries, but benefits the whole state by encouraging the growth of local independent film and tv productions creating more opportunities for local actors, performers and stunt people, which grows a better-prepared, more attractive workforce ready to be hired for more roles on bigger-budget studio projects as well as attracting tourists to our state economy.

HB1373 HD2 also protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions robbing us of state and federally-mandated employee protections, leading to uninsured injury claims, wage theft etc.. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections.

So please pass this, Its all good things for everyone.

Thank you

james koons

HB-1373-HD-2

Submitted on: 3/31/2023 3:32:28 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Amy Adams	Individual	Support	Written Testimony Only

Comments:

I am a Screen Actors Guild member and have been working fairly steadily on island since I arrived in 2011, most recently fully supporting myself by being full time on Magnum PI all throughout covid closures. See my imdb page [Imdb.me/MiaAdams](https://www.imdb.com/name/nm0018788/) My income gets passed along to local commerce via groceries, supplies, rent, services, (hair care, massage, clothing) etc. I witness money being poured into our local economy and mom & pop establishments every time we go on location and the crew list is staggering - every one of us support local establishments with our paychecks. Please support this bill. The Hawaii film unions are strong and talented. We deserve all the chances we can get. We must be competitive with other locations. Thank you for supporting this and all bills that support Hawaii's flourishing film market.

HB-1373-HD-2

Submitted on: 4/1/2023 10:56:18 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dennis Garber	Individual	Support	Written Testimony Only

Comments:

support

HB-1373-HD-2

Submitted on: 4/1/2023 3:12:09 PM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Spelman	Individual	Support	Written Testimony Only

Comments:

Please support bill 1373! It will be a positive step in supporting the arts and living wage jobs in Hawaii

HB-1373-HD-2

Submitted on: 4/3/2023 11:56:17 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Angela Laprete	Individual	Support	Written Testimony Only

Comments:

April 3, 2023

Senator Lynn DeCoite, Chair, Senator Glenn Wakai, Vice Chair, Members of the Committee on Energy, Economic Development and Tourism

Senator Donovan M. Dela Cruz, Chair Senator Gilbert S.C. Keith-Agaran Vice Chair, Members of the Committee on Ways & Means

RE: HB 1373 – RELATING TO WORKFORCE DEVELOPMENT Hearing date – April 4, 2023 at 1:00 p.m.

Aloha Chair DeCoite, Chair Dela Cruz and members of the committee,

Thank you for allowing me to submit testimony in **SUPPORT** of HB 1373 – RELATING TO WORKFORCE DEVELOPMENT.

HB 1373 proposes a workforce development rebate program to be administered by DBEDT that would incentivize production of local film and television shows. I support this bill but would like to see amendments to it. As a 25+ year veteran of the industry, I am in support of any program to help grow the production of film and television shows in Hawaii. It’s been awhile since any major changes have happened in terms of growth and incentivizing the hiring of local crew and vendors and building our infrastructure on all islands. This is an industry that pays well and is significantly viable. So many opportunities have proven successful with long term work for local crew and vendors. It’s a quality of life and it’s also a career path choice for our next generation to easily step into.

When I think of work force development, I think about long term and ongoing training for our industry and developing our infrastructure so that more opportunities are consistently available. The only way to continue success and elevate our industry is to change the mindset of “productions will come no matter what” – it’s not true. The film office works hard to lure in all productions from all over the world and studios analyze all options for locations. We need to have major components in place to attract studios/production companies and this falls into raising our tax credit caps and the lack of infrastructure we need to build. For one, we need

another film studio(s) on both Oahu and another island (Big Island has the space). It's been way overdue and with that in place, more work and opportunities will come for Hawaii residents. It is a fact, you build, they will come!

HB1373 is focusing on smaller projects of \$5 million and under. These type of productions offer entry level positions and training, as well as opportunities for some crew to move into key positions. I am a product of this world. However, these projects are "short and sweet". The amount of time it takes to train a crew member (cast included) is usually several months to years, depending on the position. This is where training and building any type of infrastructure really benefits from the larger productions (networks, streaming platforms) that shoot in Hawaii for several months or longer (mainly episodic TV since they tend to be picked up for seasons). The State needs to incentivize local hiring, otherwise, the bigger productions will continue to bring in "distant hires" for years to stay. It's not to say studios are not looking at local hiring or that locals are not being trained on these episodic shows, but it's a fact that it's a small percentage, especially for the key positions and there is no accountability to it. If there is a way to broaden and/or marry this bill with the larger productions, work force development will be in full effect statewide as long as accountability is happening (unions can help with this).

Also, I feel strongly that we need to have a cultural and/or "Indigenous" content incentive. Most countries or states that are defined by their culture have it. PLEASE consider incorporating an uptick in the incentive for cultural content (story has to be vetted as it should fall under specific guidelines). It will help both our local/smaller productions to tell local stories and elevate our homegrown filmmakers. On a grander scale, a show like "Chief of War", allows a significant level of opportunity to be shown on a global platform (and this could've helped keep more of the shooting in Hawaii).

Hawaii should review increasing the film tax credit to at least \$75,000,000. Under the current cap of \$50,000,000 nearly 50 applicants registered for the tax credit program for film productions that took place during the 2019 calendar year. The estimated spend of these productions on wages, rentals, buying local goods and services was \$340 million, generating an estimated \$588 million in overall economic activity. Hawaii state tax revenue to be generated is estimated at \$37 million. With a state tax credit cap of \$50 million in 2019, the net cost to the state is \$13 million to stimulate half a billion dollars in economic activity and more than 3,200 jobs.

Raising the film tax credit will help to attract new film opportunities and investors, which will in turn provide the opportunity to develop the creative workforce in Hawaii, which is critical to diversifying Hawaii's economy. Accordingly, we recommend that the language in Section 3 of SB 1237 regarding film tax credits be added to HB 1373 and that the committee pass this measure.

I would like to see our film industry continue to thrive, even more than it has. Hawaii has that opportunity to compete as a world-class filming destination, not just as a location, but in elevating our local and AAPI communities that we are so proud of.

Mahalo for the opportunity to testify and for your consideration.

Angela Laprete, Producer

LATE

HB-1373-HD-2

Submitted on: 4/4/2023 9:14:45 AM

Testimony for EET on 4/4/2023 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Mathias Van Wessinger	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Chair DeCoite, Vice Chair Keith-Agaran, Vice Chair Wakai, and members of the Senate Committees

My name is **Mathias Van Wessinger** . I'm a member of IATSE Local 665, the union that represents entertainment technicians in the state of Hawai'i. I submit this testimony in support of HB 1373 HD2. I've been a member of IATSE 665 for 16 years & worked in the Film/TV sector of Hawai'i's entertainment industry for 20 years. This bill encourages the growth of local independent film and television productions by requiring the department of business economic development and tourism to administer a workforce development incentive rebate program that incentivizes local independent film and television productions. Local productions are crewed almost entirely by local hires. While these local productions may not have massive budgets like major studios, they are vital and proven training grounds for our local industry workers. HB1373 HD2 protects performers and creative industry workers by discouraging the misclassification of employees as independent contractors in lower-budget film/TV productions. Misclassifying employees as independent contractors robs them of state and federally mandated employee protections, leading to potentially uninsured injury claims, wage theft and other violations. Additionally, the misclassification of workers can result in a reduction in state tax and unemployment insurance collections. A robust and stable incentive program that incorporates workforce development incentives is not only good for our members, crew, technicians, and the creative industries, it benefits the whole state. It's for these reasons that I support HB 1373 HD2. Thank you for the opportunity to testify.

Sincerely,

Mathias Van Wessinger

Member, IATSE 665