SYLVIA LUKE LT. GOVERNOR



GARY S. SUGANUMA DIRECTOR

KRISTEN M.R. SAKAMOTO DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF TAXATION Ka 'Oihana 'Auhau P.O. BOX 259 HONOLULU, HAWAI'I 96809 PHONE NO: (808) 587-1540 FAX NO: (808) 587-1560

TESTIMONY OF GARY S. SUGANUMA, DIRECTOR OF TAXATION

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 3265, S.D. 1, Relating to Film Industry Development

BEFORE THE: Senate Committee on Ways and Means

DATE:	Friday, March 01, 2024
TIME:	9:55 a.m.
LOCATION:	State Capitol, Room 211

Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

The Department of Taxation ("Department") offers the following <u>comments</u> regarding S.B. 3265, S.D. 1 for your consideration.

S.B 3265, S.D. 1, proposes several statutory changes relating to film industry development, including creating a new a general excise tax (GET) exemption in chapter 237, Hawaii Revised Statutes (HRS), for certified development of film studio facilities, and amending provisions governing the motion picture, digital media, and film production income tax credit (the "film credit") in section 235-17, HRS.

The bill's new GET exemption would be certified by the Department of Business, Economic Development, and Tourism (DBEDT), and would apply to the gross proceeds of a "qualified person" arising from the planning, design, construction, or retrofitting of film studio infrastructure in the State.

The bill's amendments to the film credit would extend the credit's sunset date from 2032 to 2038, increase the annual aggregate cap from \$50,000,000 to \$60,000,000, and

Department of Taxation Testimony SB 3265, S.D. 1 March 1, 2024 Page 2 of 2

require that any taxpayer with qualified production costs exceeding \$1,000,000 include an independent third-party certification by a certified public accountant verifying their representations to DBEDT.

The bill also expands the film credit's definition of a "qualified production" to include productions on both broadcast and streaming platforms, with one "qualified production" constituting up to 22 episodes for broadcasting platforms and 8 episodes for streaming platforms.

Section 2 of S.B 3265, S.D. 1, is effective July 1, 2024, with the new GET exemption set to take effect January 1, 2025. Sections 3 and 5 regarding amendments to the film credit apply to expenditures made after December 31, 2024.

The Department defers to DBEDT on its ability to certify the proposed exemption and continue its oversight of the film credit with the proposed changes. The Department does not have the subject-matter expertise or administrative capability to certify either the exemption or the credit.

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



DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

JOSH GREEN, M.D. GOVERNOR

CHRIS J. SADAYASU DIRECTOR

KA 'OIHANA HO'OMŌHALA PĀ'OIHANA, 'IMI WAIWAI A HO'OMĀKA'IKA'I

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 JAMES KUNANE TOKIOKA Director Department of Business, Economic Development, and Tourism before the SENATE COMMITTEE ON WAYS AND MEANS Friday, March 1, 2024 9:55 AM State Capitol, Conference Room #211

In consideration of SB3265, SD1 RELATING TO FILM INDUSTRY DEVELOPMENT.

Chair Dela Cruz, Vice Chair Moriwaki and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports SB3265 SD1 which further amends HRS 235-17 to 1) establish a Hawai'i Film Advisory Council for the department and its film program, 2) increase the annual cap by \$10 million, 3) extend the sunset date to January 1, 2039, 4) reinstitute the requirement for an independent third-party CPA certification for productions over \$1 million, 5) expand the definition of "qualified production" to include episodic series on streaming platforms, 6) provide a general excise tax exemption for certified development of film studio facilities and requests one full-time equivalent (1.0 FTE) and adds funds for a film industry development liaison position within the Creative Industries Division of DBEDT.

These proposed amendments to HRS 235-17 are integral to providing a stable, reliable tax credit program which drives the future workforce and infrastructure development in the film, television, and media industries statewide.

The Hawai'i Motion Picture, Digital Media and Film Production Income Tax Credit program provided jobs for over 4,000 local residents in 2022, many of these are skilled trades which are high paying jobs. Incentivizing the production industry is good business for the state, and also contributes to marketing the state as a visitor destination. The importance of economic diversification is crucial to the resiliency of our state. Local productions as well as the studio productions contribute to our small businesses and public educational institutions and non profits.

As the industry grows in the location film production arena, we accelerate synergies through advancing locally originated content development as a viable pathway and career. Hawai'i's film and media industries are a key facet of DBEDT's vision to move into a new era of economic diversification and therefore support the amendments proposed in SB3265 SD1.

Thank you for the opportunity to testify.



UNIVERSITY OF HAWAI'I SYSTEM 'ÕNAEHANA KULANUI O HAWAI'I

Legislative Testimony Hōʻike Manaʻo I Mua O Ka ʻAhaʻōlelo

Testimony Presented Before the Senate Committee on Ways and Means Friday, March 1, 2024 at 9:55 a.m. by Christopher Lee, Founder/Director, Academy for Creative Media, UH System on behalf of Vassilis L. Syrmos, Vice President for Research and Innovation University of Hawai'i System

SB 3265 SD1 – RELATING TO FILM INDUSTRY DEVELOPMENT

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

The University of Hawai'i (UH) is in support of SB 3265 SD1.

Research conducted by independent economists Professor Emeritus James Mak and Sumner LaCroix of UHERO has highlighted that since the passage of the Act 88 film credit in 2006, spending in Hawai'i on TV/film productions has soared with inflation-adjusted spending increasing by 116 percent between 2007 (\$164.5 million) and 2019 (\$355.6 million). This is much larger than the overall increase in Hawai'i real gross domestic product over the same period, a modest 17 percent.

Before Act 88, Hawai'i never saw more than \$100 million in production per year. Since then, our industry has climbed to a DBEDT reported average of \$396 million dollars in direct spend per annum. In DBEDT's latest figures from 2022, the total Hawai'i film production direct spend was \$420.04 million (includes qualified tax credit spend and non-tax credit spend).

The breakdown by island is as follows: Oʻahu: \$354.88 million; Hawaiʻi County: \$39.32 million; Kauaʻi County: \$12.56 million; Maui County: \$13.28 million

With Hawai'i household income generated at \$168.02 million and tax revenue generation of \$45.36 million, DBEDT estimates the total economic impact from film production on our economy at an impressive \$726.68 million.

As with all industries, growth depends on three factors: workforce development, physical infrastructure and incentives. This measure aids in both incentivising production in the islands and the building of much needed physical infrastructure.

Thank you for the opportunity to testify in support of SB 3265 SD1.

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: GENERAL EXCISE, INCOME, Establish Hawai'i Film Advisory Council; Exempt Film Studio Development; Extend Production Credit and Increase Annual Limit

BILL NUMBER: SB 3265 SD 1

INTRODUCED BY: Senate Committee on Energy, Economic Development, and Tourism

EXECUTIVE SUMMARY: Establishes a Hawai'i Film Advisory Council within DBEDT. Provides a general excise tax exemption for the gross proceeds arising from certified development of film studio facilities.

Amends the motion picture, digital media, and film production income tax credit to increase the annual cap to \$60,000,000; extend the sunset date of the tax credit to January 1, 2039; clarify and amend the requirement for an independent third-party certification; and expand the definition of "qualified production" to include streaming platforms.

SYNOPSIS: Our analysis will be limited to the sections of the bill involving taxation.

GET Exemption for Certified Development of Film Studio Facilities

Adds a new section to chapter 237, HRS, that adds an exemption for gross proceeds of a qualified person arising from the planning, design, construction, or retrofitting of film studio infrastructure in Hawaii. Prequalification for the exemption must be made with DBEDT. Exemption shall not apply to gross proceeds "received" after December 31, 2034.

Defines "film studio infrastructure" to include: 1) new or retrofit construction of structures to accommodate soundstages, 2) permanent space primarily used for production including catering and laundry facilities, editing suites, galleries, screening and control rooms and 3) facilities that are used for production purposes that may include dining and food prep, office accommodations for production personnel and departments, prop and vehicle parking and related storage, sustainable alternative energy sources; security facilities and infrastructure.

Defines a "qualified person" for this purpose as an individual, partnership, joint venture, corporation, association, limited liability partnership, limited liability company, business, trust, or any organized group of persons or legal entities, or any combination thereof, that possesses all professional or vocational licenses necessary to do business in the State in conjunction with the planning, design, construction, or retrofitting of film studio infrastructure.

Amendments to Income Tax Credit for Productions

Amends HRS section 235-17(h), to require an independent third party certification performed by a qualified certified public accountant if qualified production costs of a taxpayer exceed \$1,000,000 in a taxable year. The certification is to be submitted to DBEDT with the section

Re: SB 3265 SD 1 Page 2

235-17(h) identification statement and shall verify all representations made for purposes of claiming the credit.

Amends HRS section 237-17(n) to increase the tax credits allowed in any particular year from \$50 million to \$60 million and extends the availability of credits from 12-31-2032 to 12-31-2038.

Adds amendments to exclude the Film Industry Development Liaison as a civil service position and appropriating \$130,000 out of the general revenues for the fiscal year 2024-2025 to establish one FTE position.

EFFECTIVE DATE: July 1, 2025, with sections 2 (relating to GET exemption) and 5 (credit certification requirements) applicable to expenditures made after December 31, 2024.

STAFF COMMENTS:

GET Exemption for Certified Development of Film Studio Facilities

Rather than handing out a GET exemption for persons planning, designing, constructing or retrofitting film infrastructure, be it a studio or ancillary facilities used for production purposes, consideration should be given to appropriating a specific sum of money and issue requests for proposals to build such a project and see which bidder would come forward with the best proposal. This way each bidder could be evaluated as to what they have to offer and what benefit the state would get. Based on the responses to the request, a careful review done by experts in the field could be made and the best proposal selected. The persons responsible for making the final selection would then be held accountable for their selection and provide the justification for the selection. Another alternative would be the use of special purpose revenue bonds. These alternatives would be far more efficient and transparent than the GET exemption proposed by this measure.

Merely handing out a GET exemption to entice an economic activity is the "easy way" out for lawmakers. To really ensure the success of this incentive, it will take creative thinking and hard work. An appropriation of funds, perhaps the issuance of special purpose revenue bonds, a joint venture, contributions of land or acceleration of the permitting process are but a few ways government could incentivize such a project without spending one cent of cold hard cash. If, in fact, lawmakers believe infrastructure to be critical to the development of the film industry, then lawmakers need to take a more active role as opposed to sitting back and granting selected exemptions to drive the activity.

Apparently, the tax burden is perceived to be enough of a drag on the film industry that they are now seeking an exemption to reduce its infrastructure costs. If this exemption is passed, we can expect to hear from other industries wanting the same treatment to help reduce their investments in infrastructure.

A concern to be addressed is how much additional assistance is needed for the film industry. A review should be made to avoid possible overlapping benefits; as an example, with the proposed

Re: SB 3265 SD 1 Page 3

GET exemption for "set design"; and with "costs of set construction" as qualified production costs for the film production income tax credit.

Amendments to Income Tax Credit for Productions

The production credit in HRS section 235-17 was enacted as Act 107, SLH 1997, as a percentage of the costs incurred in the State in the production of motion picture or television films. As enacted, the credit was 4% of regular production costs plus 6% of transient accommodations, mirroring the GET and TAT rates at the time. Act 156, SLH 1988, raised the TAT credit to 7.25% while also raising the TAT rate to 7.25%.

After a period where this credit took a back seat to the qualified high tech business program enacted by Act 221, SLH 2001, this credit was next amended by Act 88, SLH 2006, which added credits for digital media and replaced the GET and TAT bifurcation with a unified credit of 15% of qualified production costs incurred in the C&C of Honolulu and 20% in any other county. The act added a per-production cap of \$8 million and sunset the credit on Jan. 1, 2016.

Act 89, SLH 2013, changed the credit percentages to 20% in Honolulu and 25% in any other county; raised the per-production limit to \$15 million; and extended the sunset date to Jan. 1, 2019.

Act 143, SLH 2017, extended the sunset date for the credit to Jan. 1, 2026, and first imposed an aggregate cap of \$35 million. Act 275, SLH 2019, raised the aggregate cap to \$50 million.

Act 217, SLH 2022, increased the credit percentages to 22% in Honolulu and 27% in any other county and extended the sunset date to January 1, 2033.

This bill yet again is proposing an increase to the aggregate credit cap from \$50 million to \$60 million and extending the sunset date for another 5 years to January 1, 2039.

We in Hawaii have had our production credit since 1997, so it's been more than twenty years. Have there been any studies about what the program has done for Hawaii's economy or Hawaii's tax revenue? None were cited to the Legislature when the Hawaii production tax credit was increased in 2013. Maybe we don't care as much about the hard dollars as we do about other intangible effects like local jobs, the development of a skilled workforce, or robust media education programs that simply weren't around at the turn of the century. Even if so, lawmakers should have data on these intangibles, and other cost-benefit information, so they can make rational decisions on this matter.

Certainly, the film industry promises increased opportunities. Some of them certainly have materialized. But chasing these opportunities needs to be balanced against the cold hard reality of solving the problems at hand. Lawmakers need to ask whether production tax credits create sustainable economic development. It's well known that most productions shoot for a while and then wrap; the crew that supports the production then jumps to the next one. A case may be

Re: SB 3265 SD 1 Page 4

made for the production credits if they keep the productions rolling in and contributing to the economy. But the people need to see that case to justify continued redirection of resources to these credits while those resources could instead lower the overall tax burden not only for families but for the businesses that provide long-term employment for Hawaii's people.

The Tax Foundation has no comments on establishing a Hawaii film advisory council nor the FTE position for the film industry development liaison.

Digested: 2/28/2024



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 Regular Session of 2024 Senate Committee on Ways and Means

> > Testimony by IATSE 665 March 1st, 2024

S.B. 3265 S.D. 1 - RELATING TO FILM INDUSTRY DEVELOPMENT

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee,

My name is Tuia'ana Scanlan, International Trustee and President of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. Local 665 strongly supports SB 3265 SD1, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180"

(https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2 022.pdf)

We are grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, we appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development. We also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..." Regarding the details and enforcement of the specific provisions, we respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

We humbly request that the committee support SB 3265 SD1. Thank you for the opportunity to testify.

In Solidarity,

Tuia'ana Scanlan IATSE International Trustee IATSE 665 President (he/him/his)

G·AFTRA.

March 1, 2024

Committee on Ways and Means Sen. Dela Cruz, Chair Sen. Moriwaki,, Vice Chair The Senate The Thirtieth-First Legislature Regular Session of 2022

RE: <u>SB 3265 SD1 - RELATING TO FILM INDUSTRY</u>

DEVELOPMENT. DATE: Wednesday, February 6, 2024 TIME: 1:01 pm PLACE: Conference Room 229 VIA Videoconference State Capitol 415 South Beretania Street, Honolulu HI

Aloha Chair Dela Cruz, Vice Moriwaki, and the Members of the Committee,

Thank you for the opportunity to testify in <u>SUPPORT</u> of SB 3265 SD 1 - RELATING TO FILM INDUSTRY DEVELOPMENT.

SAG-AFTRA represents over 1400 actors, recording artists, and media professionals in our state. We are the professional performers working in front of the camera and behind the microphone.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180."¹

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

¹ https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf

SAG·AFTRA

We are grateful for the legislature's continued support of our industry. Specifically, with this measure, we appreciate the willingness to raise the cap, extend the credit to 2038, and provide incentives for infrastructure development.

We also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, we respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

Respectfully,

Mericia Palma Elmore

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawaii Local

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





The Senate The Thirty-Second Legislature Regular Session of 2024

COMMITTEE ON WAYS AND MEANS Senator Donovan M. Dela Cruz, Chair Senator Sharon Y. Moriwaki, Vice Chair

RE: SB 3265, SD1 RELATING TO FILM INDUSTRY DEVELOPMENT

Date: Friday, March 1, 2024 Time: 9:55 a.m. Conference Room 221 & Videoconference State Capitol 415 South Beretania Street

February 29, 2024

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

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

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 Goodsill 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** SB 3265, SD1 which seeks, among other things, to amend the motion picture, digital media, and film production income tax credit to increase the annual cap to \$60,000,000, extend the sunset date of the tax credit to January 1, 2039 and provides tax relief for development of film studio facilities.

Me ke aloha,

Roy Tjioe and Ricardo Galindez Co-Founders Island Film Group Honolulu, Hawaii



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 10:37:38 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Dean Des Jarlais	Testifying for Hawaii Media Inc.	Support	Written Testimony Only

Comments:

I am writing to testify my strong support for SB 3265. As a business owner servicing the film and tv industry, this bill contains many improvements to the current tax credit legislation. It creates a Film Advisory Council, creates a tax exemption for studio infrastructure, raises the annual cap on credits, and extends the sunset date to 2039. These are all beneficial changes that which will stimulate increased production in our state.



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 10:44:00 AM Testimony for WAM on 3/1/2024 9:55:00 AM

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

Comments:

SB 3265 SD 1 - Relating to Film Industry Development

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Jonathan Hanks

I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawai'i Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Jonathan Hanks

IATSE Local 665 Member



Telephone: (808) 597-1441 Fax: (808) 593-2149

The Thirty-Second Legislature, Hawaii The Senate Committee on Ways and Means

HAWAII STATE AFL-CIO 888 Mililani Street, Suite 501 • Honolulu, Hawaii 96813



Testimony by Hawaii State AFL-CIO

March 1, 2024

TESTIMONY ON SB3265 SD1 - RELATING TO FILM INDUSTRY DEVELOPMENT

Chair Dela Cruz, Vice Chair Moriwaki, and members of the committee:

The Hawaii State AFL-CIO is a federation of 74 affiliate labor organizations who represent over 68,000 union members within the State of Hawaii. The Hawaii State AFL-CIO serves its affiliates by advocating for workers and their families before the state legislature and other branches of state and county government.

We <u>support</u> SB3265 SD1, which establishes the Hawaii Film Advisory Council and amends motion picture, digital media, and film production income tax credits. This pivotal legislation boosts the annual cap to \$60,000,000 and extends the tax credit's sunset date to January 1, 2039. Furthermore, it clarifies and adjusts certification requirements, broadens the definition of "qualified production" to encompass streaming platforms, and offers tax exemptions for certified film studio development.

This bill marks a crucial stride towards revitalizing Hawaii's film industry and fostering economic growth by stimulating job creation and enhancing economic diversity in our state. It lays the groundwork for the Hawaii Film Advisory Council and enhances incentives to attract film production, ensuring a brighter future for our local economy.

Respectfully submitted,

Randy Perreira President





Testimony of Mufi Hannemann, President & CEO Hawai'i Lodging & Tourism Association

Senate Committee on Ways and Means (WAM) SB3265 SD1 RELATING TO FILM INDUSTRY DEVELOPMENT Friday, March 1, 2024 Position: SUPPORT

Chair Dela Cruz and Members of the Committee,

I am writing on behalf of the Hawai'i Lodging & Tourism Association, the oldest and largest private sector tourism organization in the state, to express our support for SB3265 SD1 relating to Film Industry Development.

This measure aims to establish the Hawai'i Film Advisory Council, and enhance the motion picture, digital media, and film production income tax credit by increasing the annual cap to \$60,000,000. It also seeks to extend the sunset date of the tax credit to January 1, 2039, refine the requirement for an independent third-party certification, and expand the definition of "qualified production" to include streaming platforms. Additionally, the bill introduces a tax exemption for certified development of film studio facilities and proposes the creation of a full-time equivalent (1.0 FTE) film industry development liaison within the Creative Industries Division of the Department of Business, Economic Development, and Tourism (DBEDT).

Film and television production have long been integral to our state's economy, fostering a collaborative relationship with our largest private sector industry: tourism. This symbiotic connection contributes significantly to our visitor industry product, with production participants supporting local businesses by patronizing hotels, retail stores, and restaurants. Elevating the motion picture, digital media, and film production income tax credit annual cap to \$60,000,000 will incentivize film makers to create and showcase work in our beautiful islands, thereby boosting exposure and infusing vital funds into our economy.

The establishment of the Hawai'i Film Advisory Council, comprised of 13 members with professional experience in the film and entertainment sector, is a commendable step towards ensuring comprehensive representation and expertise within the industry.

SB3265 SD1 also recognizes the need for effective communication between the government and the film industry by proposing a full-time Film Industry Development Liaison within DBEDT's Creative Industries Division. This position is anticipated to play a pivotal role in streamlining processes and providing essential support, emphasizing a commitment to understanding the distinctive needs of our local film industry.



The bill's encouragement of development for certified film studio facilities through a tax exemption aligns with efforts at the county level, as seen in legislation before the Honolulu City Council. While the State of Hawai'i currently has a sole film studio near Diamond Head, facilitating the construction of film facilities through financial incentives will enhance our production infrastructure and further attract filmmakers and TV productions to Hawai'i.

Passing SB3265 SD1 would send a clear message to the film and media industry that Hawai'i welcomes them to our islands. We wholeheartedly urge you to support and pass this measure.

Mahalo for considering our testimony and for the opportunity to express our support.





Testimony Presented Before the Senate Committee on Ways and Means FRIDAY, MARCH 1, 2024 | Conference Room 211 at 9:55AM by Beckie Stocchetti, Executive Director, Hawaii International Film Festival (HIFF)

SB 3265 SD1 - RELATING TO FILM INDUSTRY DEVELOPMENT

Chair Dela Cruz, Vice Chair Moriwaki, and Members of the Committee:

HIFF is the largest and only statewide independent film development organization in Hawai'i, serving over 50,000 residents, tourists, filmmakers, students, and emerging creative artists annually through annual Festivals, Education programs, and Industry/professional development initiatives.

Hawai'i International Film Festival (HIFF) is in **support** of SB 3265 SD1, which seeks, among other things, to amend the motion picture, digital media, and film production income tax credit to increase the annual cap to \$60,000,000, extend the sunset date of the tax credit to January 1, 2039 and provides tax relief for development of film studio facilities. We also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight."

HIFF fundamentally supports measures that provide increased collaboration, effectiveness, and capital investment to our creative sector, advance development of a stronger media infrastructure across the state and offer more access to opportunities for Hawaii-based artists. We are grateful for the legislature's continued support of our industry.

Thank you for the opportunity to testify in support of SB 3265 SD 1. Respectfully and with aloha,

Fochell

Beckie Stocchetti Executive Director Hawai'i International Film Festival

<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 8:25:38 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Kaipu Seales	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Kaipu Seales. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Kaipu Seales

<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 8:47:31 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Laura Totero	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Laura Totero. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Laura Totero

<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 8:48:33 AM Testimony for WAM on 3/1/2024 9:55:00 AM

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

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Raimar Bylaardt II. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Raimar Bylaardt II

<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 8:49:27 AM Testimony for WAM on 3/1/2024 9:55:00 AM

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

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Keahi S Kuikahi. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I strongly support SB 3265 SD 1, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee support SB 3265 SD 1. Thank you for the opportunity to testify.

In Solidarity,

Keahi S Kuikahi

<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 8:53:58 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Larry Schultz	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Larry Schultz. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I strongly support SB 3265 SD 1, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee support SB 3265 SD 1. Thank you for the opportunity to testify.

In Solidarity,

Larry Schultz,

SAG-AFTRA, IATSE Local 665 member

<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 9:16:02 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Danny Cochran	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Danny Cochran . I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I <u>strongly support SB 3265 SD 1</u>, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to <u>January 1, 2039</u>, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My Ohana relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Danny Cochran

SB-3265-SD-1

Submitted on: 2/29/2024 9:26:43 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
'Alika Leavey	Individual	Support	Written Testimony Only

Comments:

Aloha

I am a member of IATSE Local 665. Strong support for the film incentive. Please retain language as floated by Sen. Wakai last session that to qualify, productions need to hire Hawaii residents.

mahalo

Alika Leavey



<u>SB-3265-SD-1</u>

Submitted on: 2/29/2024 10:28:08 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
SCOTT SWARTZ	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Scott Swartz, and I am an actor, member of SAG-AFTRA, and a full time resident of Oahu. I SUPPORT SB 3265.

Mahalo

OFFICE OF ECONOMIC DEVELOPMENT

NALANI BRUN, DIRECTOR



DEREK S.K. KAWAKAMI, MAYOR REIKO MATSUYAMA, MANAGING DIRECTOR

Testimony of Sandy Kaauwai Film Commissioner, Office of Economic Development- County of Kaua'i

> Before the Senate Committee on Ways and Means March 1, 2024, at 9:55 AM Room 211 & Via Videoconference



In consideration of Senate Bill 3265, SD1 Relating to Film Industry Development

Honorable Chair Dela Cruz, Vice-Chair Moriwaki, and Members of the Committee:

I am writing to express the Kauai Film Commission's support for Senate Bill 3265, which aims to enhance film industry development in the State of Hawaii.

The establishment of the Hawaii Film Advisory Council, as outlined in Part I of the bill, will play a crucial role in providing valuable insights, recommendations, and guidance to accelerate the growth of the film industry statewide from a wide sector of this growing economy. This inclusive approach will contribute to well-rounded perspectives and effective decision-making.

It is also imperative that the proposed amendments to Chapter 237, Hawaii Revised Statutes, especially the increase in the annual cap for the motion picture, digital media, and film production income tax credit to \$60,000,000, the extension of the sunset date to January 1, 2039 and the inclusion of a tax exemption for certified development of film studio facilities are all necessary for Hawaii to remain competitive in the industry.

I humbly ask that you support Senate Bill 3265, SD1.
1. Anderson, C.J., Brennan, L.A., Bukoski, W.P. *et al.* Evaluation of roost culling as a management strategy for reducing invasive rose-ringed parakeet (*Psittacula krameri*) populations. *Biol Invasions* 25, 1403–1419 (2023). https://doi.org/10.1007/s10530-022-02984-3



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 11:23:33 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Travis Hoover	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Travis Hoover. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

In Solidarity,

Travis Hoover



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 12:09:11 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Erika K Aresta	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Erika Aresta i'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

In Solidarity,

Erika K Aresta



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 12:40:15 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Ron Evans	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Ron Evans. . I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

In Solidarity,

Ron Evans



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 1:37:35 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
William Self	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is [William Self]. I I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.... I know of at least 8 very Skilled and Talentend Union Brother's and Sister's who were coerced to going to the mainland to further their Careers. If this bill is not passed there will be a mass exodus of talented Tax payer's that will do the same!!

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify...

Aloha Nui Loa and Mahalo for your Service,

William Self



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 3:15:26 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
hans meier	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Hans Meier. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

In Solidarity,

Hans Meier



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 4:53:01 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Jess Cole	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Jessica Cole. I'm a member of IATSE Local 665 and Teamsters Local 996, my unions represent more than 1000 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

In Solidarity,

Jessica Cole



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 5:16:04 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Kapala Novikoff	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means.

My name Is Kapala Novikoff. I am a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment industry in Hawai'i. I strongly support SB 3265 SD, relating to film industry development.

In Solidarity,

Kapala Novikoff



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 5:21:00 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Dan Garab	Individual	Support	Written Testimony Only

Comments:

I strongly support the Film Tax incentive bill SB 3265 for the good of our local film industry and the Hawaii economy in general..

Aloha - Dan Garab



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 6:09:06 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Ashlee Valeros	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Ashlee Valeros. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

In Solidarity,

Ashlee Valeros



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 6:09:41 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Mariann Tesauro	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Mariann Tesauro, I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Mariann Tesauro



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 8:07:18 PM Testimony for WAM on 3/1/2024 9:55:00 AM

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

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is Lisa Mitchell. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Lisa Mitchell



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 8:44:56 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Damata	Individual	Support	Written Testimony Only

Comments:

My name is Marie Damata I support the the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I strongly support SB 3265 SD 1, relating to film industry development.

I am grateful for the legislature's continuous support of our industry, which provides livelihoods for thousands of families across the state. I appreciate the proposed measures in this bill, such as raising the cap, extending the credit to January 1, 2039, and incentivizing infrastructure development.

I also commend the intention to establish the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to provide industry insight and recommendations.

Regarding the specific provisions, I defer to the expertise of the appropriate state, county, and other agencies for their implementation and enforcement.

The hawaii film industry depends tax incentive encourages. Therefore, I humbly request that the committee support SB 3265 SD 1. Thank you for considering my testimony.

In Solidarity,

Marie Damata

HONOLULU FILM OFFICE KE KE'ENA LĪPINE O HONOLULU CITY AND COUNTY OF HONOLULU



530 SOUTH KING ST, ROOM 306 • HONOLULU, HAWAI'I 96813 PHONE: (808) 768-6100 • FAX: (808) 768-6102 • INTERNET: www.honolulu.gov/film-office

RICK BLANGIARDI MAYOR *MEIA*



WALEA L. CONSTANTINAU FILM COMMISSIONER *Komikina Līpine*

Testimony of Walea Constantinau, Film Commissioner, Honolulu Film Office City and County of Honolulu

SENATE COMMITTEE ON WAYS AND MEANS

March 1, 2024 9:55 AM State Capitol, Conference Room 211 and via Videoconference

RE: SB 3265 SD1 RELATING TO FILM INDUSTRY DEVELOPMENT

Dear Chair Dela Cruz, Vice-chair Moriwaki and members of the committees:

The Honolulu Film Office supports the portion of the legislation that seeks to update the Hawaii Production Tax Credit (HPTC) to meet the demands generated by the success of the program so that it can continue to grow and be a viable part of the diversification of Hawaii's economy.

The Hawaii Production Tax Credit is a great success story. It has helped to build the industry to almost a \$500 million dollar direct-spend industry, and generate \$700-\$800 million economic output. It does this while creating a broad range of living-wage jobs with salaries generally between \$70,000 - \$125,000. It has been an important part of the State's path to economic diversification.

SB 3265 SD1 seeks to increase the overall industry cap, update dated language that better addresses the industry practices by including definitions about streaming platforms, extend the Sunset date to give business certainty to project developers so they can include Hawaii in their long-range plans, and gives confidence to investors to address a critical barrier to our growth, infrastructure development.

Thank you for the opportunity to provide these comments.

HONOLULU. PRODUCTION CENTER OF THE TROPICS



<u>SB-3265-SD-1</u> Submitted on: 2/29/2024 11:29:28 PM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Sonny Ortiz	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Dela Cruz, Vice Chair Moriwaki, and members of the Senate Committee on Ways and Means,

My name is [Sonny Ortiz]. I'm a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of our industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

[Sonny Ortiz]



<u>SB-3265-SD-1</u> Submitted on: 3/1/2024 7:28:12 AM Testimony for WAM on 3/1/2024 9:55:00 AM

Submitted By	Organization	Testifier Position	Testify
Vincent Totero	Individual	Support	Written Testimony Only

Comments:

My name is Vincent Totero. I' am the parent of a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

I am grateful for the legislature's continued support of this industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

My household relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

In Solidarity,

Vincent Totero

<u>SB-3265-SD-1</u> Submitted on: 3/1/2024 8:19:35 AM Testimony for WAM on 3/1/2024 9:55:00 AM



Submitted By	Organization	Testifier Position	Testify
Susan Totero	Individual	Support	Written Testimony Only

Comments:

My name is Susan Totero. I am a parent of a member of IATSE Local 665, the union representing more than 800 technicians and behind the scenes workers in the Film/TV, Live Events, and Tradeshow sectors of the Entertainment Industry in Hawai'i. I **strongly support SB 3265 SD 1**, relating to film industry development.

As the latest DBEDT figures indicate, in 2021 our Film and Television industry achieved "\$421 million in estimated state and county production expenditures generated an estimated \$728 million of economic direct and induced impact, \$45.5 million in estimated tax revenues and total job impacts totaling 4,180" (<u>https://files.hawaii.gov/dbedt/economic/data_reports/hawaii-creative-report/HI_Creative_Ind_2022.pdf</u>)

I am grateful for the legislature's continued support of the industry upon which thousands of families across the state rely. Specifically, with this measure, I appreciate the willingness to raise the cap, extend the credit to January 1, 2039, and provide incentives for infrastructure development.

I also support the intent to create the Hawaii Advisory Council and a subcommittee of Native Hawaiian members to "advise, make recommendations, and provide industry insight..."

Regarding the details and enforcement of the specific provisions, I respectfully defer to the appropriate state, county, and other agencies with expertise in those areas.

Our daughter relies on the business that this tax incentive encourages. I humbly request that the committee **support SB 3265 SD 1.** Thank you for the opportunity to testify.

Respectfully,

Susan Totero