



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Economic Development
Tuesday, March 19, 2024 at 10:00 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 SD2 – RELATING TO FILM INDUSTRY DEVELOPMENT

Chair Holt, Vice Chair Lamosao, and Members of the Committee:

The University of Hawai'i (UH) supports SB 3265 SD2.

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.

Prior to Act 88, Hawai'i never saw more than \$100 million in production per year. Since then, Hawai'i's film 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: O'ahu: \$354.88 million; Hawai'i County: \$39.32 million; Kaua'i 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.

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

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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

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

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 3265, S.D. 2, Relating to Film Industry Development

BEFORE THE:

House Committee on Economic Development

DATE: Tuesday, March 19, 2024

TIME: 10:00 a.m.

LOCATION: State Capitol, Room 423

Chair Holt, Vice-Chair Lamosao, and Members of the Committee:

The Department of Taxation ("Department") offers the following comments regarding S.B. 3265, S.D. 2 for your consideration.

S.B. 3265, S.D. 2, 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, remove the annual aggregate cap of \$50,000,000 and replace it with an

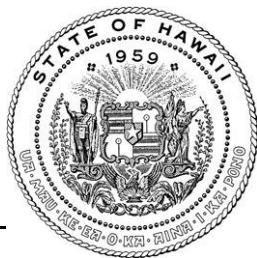
unspecified amount, and require that any taxpayer with qualified production costs exceeding \$1,000,000 include an independent third-party certification by a certified public accountant verifying their representations to DBEDT.

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. In addition, "fashion" and "music" production costs are added to the list of qualified production costs.

Section 2 of S.B 3265, S.D. 2, is effective January 1, 2051, with the new GET exemption set to take effect July 1, 2050. Provided that sections 3 through 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**

KA 'OIHANA HO'OMÖHALA PÄ'OIHANA, 'IMI WAIWAI A HO'OMÄKA'IKA'I

JOSH GREEN, M.D.
GOVERNOR

CHRIS J. SADAYASU
DIRECTOR

DANE K. WICKER
DEPUTY DIRECTOR

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Statement of
JAMES KUNANE TOKIOKA
Director
Department of Business, Economic Development, and Tourism
before the
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT
Tuesday, March 19, 2024
10:00 AM
State Capitol, Conference Room #423

In consideration of
Bill SB3265, SD2
A BILL RELATING TO FILM INDUSTRY DEVELOPMENT.

Chair Holt, Vice Chair Lamasao and members of the Committee.

The Department of Business, Economic Development and Tourism (DBEDT) supports SB3265 SD2 which amends HRS 235-17 to include 1) establishing a Hawai'i Film Advisory Council for the department and its film program, 2) increasing the annual cap by \$10 million, 3) extending the sunset date to January 1, 2039, 4) reinstating the requirement for an independent third-party CPA certification for productions over \$1 million, 5) expanding the definition of "qualified production" to include episodic series on streaming platforms, 6) providing a general excise tax exemption for film studio facilities development certified by the department, 7) adds a section to encourage locally made designs, apparel/fashion and original music from Hawai'i creatives and 8) requires one full-time equivalent (1.0 FTE) and funding for a film industry development liaison position within the Creative Industries Division of DBEDT.

Each of these proposed amendments further strengthen HRS 235-17, the Hawai'i Motion Picture, Digital Media, and Film Production Income Tax Credit program, to strengthen those aspects which drive the current and future workforce and infrastructure development in the film and media industries statewide. This is particularly important to align with the increased locally based hires in all aspects of production.

DBEDT supports the creation of the Film Industry Advisory Council which sets forth an active engagement with industry and community stakeholders. We recommend the following amendments in Part I, Section 1, subsection (a), lines 12 through 17 on Page 1 and lines through 3 on Page 2 as follows;

- (1) One member from each county's film office;
- (2) One member from the Hawaii state film office;
- (3) ~~Seven members representing~~ One member representing the membership of the Hawaii film and entertainment board;
- (4) One member representing all film industry labor unions;
- (5) One studio production representative;
- (6) One department of education career and technical education representative;
- (7) One university, higher education representative;
- (7) One workforce development council representative;
- (8) One entrepreneurial film or media sector business representative;
- (9) One native Hawaiian, Pacific islands cultural organization representative ~~and a New Zealand film industry organization;~~ and
- ~~[(4)]~~(10) The director of business, economic development, and tourism or the director's designee who shall serve as an ex officio, voting member of the council.

We also note the additions in SD2 to page 12, lines 8 and 9, items (6) and (7) have been added regarding to increase the integration of local design, fashion, and music related components of film production. We request the committee's consideration of the following clarifying language;

(6) costs associated with the creation, design, fashion, and accessories products created by Hawai'i businesses for use in the production; ~~of fashion production and related services;~~

(7) costs associated with the contracting, licensing of Hawai'i originated music to be utilized in on-camera use or post-production; ~~and related services;~~

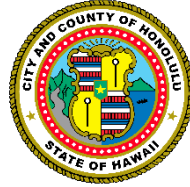
Hawai'i's film and media industries are a key facet of DBEDT's vision to move into a new era of economic diversification and therefore support the amendments recommended herein and proposed in SB3265 SD2.

Thank you for the opportunity to testify.

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

530 SOUTH KING ST, ROOM 306 • HONOLULU, HAWAII 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 ON ECONOMIC DEVELOPMENT

March 19, 2024
10:00 AM

State Capitol, Conference Room 423 and via Videoconference

RE: SB 3265 SD2 RELATING TO FILM INDUSTRY DEVELOPMENT

Dear Chair Holt, Vice-chair Lamosao and members of the committees:

The Honolulu Film Office would like to thank the Legislature for its long-standing support of Hawaii's Film Industry. The collaboration between the Legislature and the film industry is a great success story – and one that has helped to diversify our economy with industry spending now at \$400 million and economic output at over \$700 million annually, it is a strong driver of increasing household income (\$133.5M in CY22), and positively impacts the State's GDP with net benefits of \$2.51 - \$3.92 generated for every tax dollar spent (2019 DBEDT Cost Benefit Analysis Report).

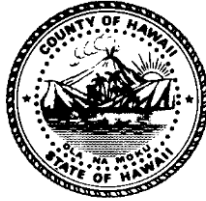
The Honolulu Film Office understands the tough challenges the Legislature faces with the economic pressures of the Maui Wildfires and as such respectfully recommends moving the measure forward without the increase to the cap. The bill contains other critical language including:

- addressing dated language related to streamers and broadcast,
- extends the Sunset date to give business certainty to project developers so they can include Hawaii in their long-range plans (common development time: 5 – 7 years),
- 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

Mitchell D. Roth
Mayor



Douglass S. Adams
Director

Frecia Cevallos
Deputy Director

County of Hawai'i

DEPARTMENT OF RESEARCH AND DEVELOPMENT

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E-mail: chresdev@co.hawaii.hi.us

Representative Daniel Holt, Chair
Representative Rachele F Lamosao, Vice Chair
Representatives of Committee on Economic Development

Re: SB3265 SD2 Relating to Economic Development

Dear Chair Holt Vice Chair Lamosao, and Members of the Committee on Economic Development

I am writing in strong support of SB3265 SD2 Relating to Economic Development.

I am writing to express my support in the the amendments proposed in SB3265 SD2, which aims to enhance and expand the motion picture, digital media, and film production industry in our state.

As a resident of Hawai'i and someone deeply invested in the arts and creative industries, I believe that fostering a thriving film and media production sector is not only economically beneficial but also culturally enriching for our community. The proposed amendments present a significant opportunity to bolster this sector and position Hawai'i as a premier destination for film and digital media production.

The changes to the motion picture, digital media, and film production income tax credit are particularly encouraging. By extending the sunset date of the tax credit, we create a more attractive and stable environment for investors and production companies. This will encourage long-term investment in our local industry, leading to job creation, infrastructure development, and increased revenue for our state.

Moreover, the clarification and expansion of definitions within the tax credit program, including the inclusion of streaming platforms and additional production costs such as fashion and music production, reflect the evolving landscape of the industry. By adapting to these changes, we can better support a diverse range of creative projects and ensure that Hawai'i remains competitive in the global market.

The provision of a general excise tax exemption for certified development of film studio facilities is another crucial aspect of this legislation. By incentivizing the development of such facilities, we can attract quality productions to our islands, create local jobs, and stimulate economic growth across various sectors.

Overall, I believe that the passage of this legislation will have far-reaching positive impacts on Hawai'i's economy, culture, and reputation as a destination for creative excellence. Your support to this bill would allow the state's media & creative industry to grow to its full potential to a possible billion-dollar industry.

Thank you for considering, and please do not hesitate to reach out if you require any further information.

Very Respectfully,

A handwritten signature in black ink, appearing to read "Aulani Freitas".

Aulani Freitas
Hawaii County Film Commissioner

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 2

INTRODUCED BY: Senate Committee on Ways and Means

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 \$[unspecified]; 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. Expand the definition of "qualified production costs" to include fashion production and music production costs. Provides a general excise tax exemption for certified development of film studio facilities.

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 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 \$ [unspecified] 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 \$[unspecified] 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 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 an unknown amount 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 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: 3/14/2024

SB-3265-SD-2

Submitted on: 3/15/2024 12:17:31 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

I strongly support SB 3265 as it addresses many issues critical for the development of the film and TV industry in Hawaii. It increases the aggregate cap for film credits, extends the sunset date, includes streaming platforms, and establishes a general excise tax credit for development of film studios. All of these changes will greatly stimulate productions in Hawaii.



Randy Perreira
President

HAWAII STATE AFL-CIO

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The Thirty-Second Legislature, Hawaii
House of Representatives
Committee on Economic Development

Testimony by
Hawaii State AFL-CIO

March 19, 2024

TESTIMONY ON SB3265 SD2 – RELATING TO FILM INDUSTRY DEVELOPMENT

Chair Holt, Vice Chair Lamosao, and members of the committee:

The Hawaii State AFL-CIO is a federation of 74 affiliate labor organizations that represent over 68,000 union members in the State of Hawaii. The 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 **support** SB3265 SD2, establishing the Hawaii Film Advisory Council and amending 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,

A handwritten signature in black ink, appearing to read "Randy Perreira".

Randy Perreira
President



March 19, 2024

Committee on Economic Development
Rep. Holt, Chair
Rep. Lamosao, Vice Chair

The House of Representatives
The Thirtieth-Second Legislature
Regular Session of 2024

RE: [SB 3265 SD2 - RELATING TO FILM INDUSTRY DEVELOPMENT](#).
DATE: Tuesday, March 19, 2024
TIME: 10:00 am
PLACE: Conference Room 423
VIA Videoconference
State Capitol 415 South Beretania Street, Honolulu HI

Aloha Chair Holt, Vice Lamosao, and the Members of the Committee,

Thank you for the opportunity to testify in **SUPPORT** of SB 3265 SD 2 - 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.

We are grateful for the legislature's continued support of our industry. Specifically, with this measure, we appreciate the addition of language that establishes an advisory council, supports infrastructure, clarifies certain definitions, and extends the credit to 2038. And we urge the body to keep our incentives intact.

Respectfully,

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawaii Local

Mericia Palma Elmore, Executive Director
SAG-AFTRA Hawaii Local
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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

SB-3265-SD-2

Submitted on: 3/17/2024 6:56:38 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Randall Yokota	SAG-AFTRA	Support	Written Testimony Only

Comments:

I would like to thank all of you for supporting Hawaii's film industry. And, I would like to say that Hawaii's film industry employs over a thousand actors and supports thousands of jobs that are related to the film industry. There's the catering business's, electricians, plumbing, hair and makeup, artists, carpenters, security, etc. They all need supplies and pay taxes. I hope that you will continue to support the Hawaii Film Industry that helps our diverse economy. Mahalo

SB-3265-SD-2

Submitted on: 3/17/2024 2:20:23 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Gerard Elmore	'Ohina LLC	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Lamosao, and the Members of the Committee,

We are writing in SUPPORT of SB 3265 SD 2 - RELATING TO FILM INDUSTRY DEVELOPMENT.

Ohina is a local collective of producers, directors, crew members, and creative talent on-island to help short film concepts that have been created and written during the 'Ohina Filmmakers Lab intensive. 'Ohina is responsible for bringing to fruition the 'Ohina Greenlight Award-winning films/lab films, cultivating local and Native Hawaiian/Pacific Islander talent, and supporting projects through the short film festival circuit globally.

We are grateful for the legislature's continued support of our industry. Specifically, with this measure, we appreciate the addition of language that establishes an advisory council, supports infrastructure, clarifies certain definitions, and extends the credit to 2038. And we urge the body to keep our incentives intact to continue to nurture our local talent.

Mahalo nui,

Gerard Elmore

Executive Director



MOTION PICTURE ASSOCIATION

Hawaii Senate Bill 3265 – Film Industry Development – Support with Amendments

House Committee on Economic Development

March 19, 2024

The Motion Picture Association (MPA) and its members respectfully request amendments to the definition of “qualified production” and with the inclusion of these amendments, MPA will be pleased to support Senate Bill 3265, which would make improvements in Hawaii’s Motion Picture, Digital Media, and Film Production Income Tax Credit program.

The MPA serves as the global voice and advocate of the motion picture, television, and streaming industries. It works in every corner of the globe to advance the creative industry, protect its members’ content across all screens, defend the creative and artistic freedoms of storytellers, and support innovative distribution models that expand viewing choices for audiences around the world. The MPA’s member studios are: Netflix Studios, LLC; Paramount Pictures Corporation; Sony Pictures Entertainment Inc.; Universal City Studios LLC; Walt Disney Studios Motion Pictures; and Warner Bros. Entertainment Inc.

The film, television and streaming production industry enjoys success in Hawaii, supporting more than 8,000 good middle-class jobs for local residents, generating more than \$370M in wages. In addition, film, TV and streaming producers paid more than \$55M to more than 1,900 local businesses in 2022. These in-state businesses include facility and equipment rental and catering, just to name a few. Since 2017, these companies have paid on average \$37.7 million per year to local vendors.

Senate Bill 3265 would make some important improvements in Hawaii’s Motion Picture, Digital Media and Film Production Income Tax Credit program. As originally introduced, the bill would increase the cap from \$50M annually to \$60M. Currently, the level of interest for filming in Hawaii exceeds the capacity of the production tax credit program. An increase in the program’s annual cap will attract more productions to Hawaii, creating more jobs for local residents and more economic activity for local businesses.

Second, the bill extends the program’s sunset date to 2038. This will send a strong message to production companies that they will be able to rely on this incentive program into the future. This is especially important to TV and streaming episodic series, which are multi-year projects and depend on the continuity of the incentive program.

Third, the bill is intended to ensure that the series produced for streaming services will qualify for this incentive program. However, the modifications to the definition of “qualified production,” will result in different treatment for series made for streaming and series made for broadcast television. MPA’s amendments ensure that the all episodic series are treated similarly, in terms of the number of episodes that will be considered one production. An episodic series of up to twelve episodes, under MPA’s amendments, will be considered one production, in a single application. If an episodic series has additional episodes in one season, an additional application can be filed for those additional episodes as another production. MPA supports the inclusion of all episodic series, whether they are seen on streaming platforms or on broadcast or cable networks, and our amendments ensure that all such series will be eligible and treated similarly.

The bill makes several other changes as requested by the Department of Business, Economic Development and Tourism. MPA works closely with DBEDT, as well as DoTAX, and respects the changes and staff additions DBEDT is requesting in this bill.

With the inclusion of MPA’s amendments (attached), MPA respectfully supports SB 3265.

MPA Requested Amendments

S.B. 3265 SD 2

Beginning on page 9, line 15:

"Qualified production":

- (1) Means a production, with expenditures in the State, for the total or partial production of a feature-length motion picture, short film, made-for-television movie, commercial, music video, interactive game, television ~~(inclusive of broadcast and streaming platforms)~~ series pilot **and television series**, single season ~~(up to twenty-two episodes for broadcast television; and up to eight episodes for an ongoing series for streaming platforms)~~ **regardless of the medium or means by which the production is conveyed or distributed including but not limited to broadcast or cable television or streaming platform**, filmed in the State ~~[(if). If the number of episodes per single season for a broadcast series exceeds twenty-two[,] episodes and if a streaming series exceeds eight episodes, additional episodes for the same season shall constitute a separate qualified production[;].].~~ A "qualified production" also includes a television ~~or streaming platform~~ special, single ~~[television]~~ episode that is not part of a ~~television or streaming platform~~ series regularly filmed or based in the State, national magazine show, ~~[or]~~ **and** national talk show. For the purposes of subsections (d) and (l), each of the aforementioned qualified production categories shall constitute separate, individual qualified productions, **except if the number of episodes per single season of a series exceeds twelve (12), any additional episodes for the same season shall constitute one separate, individual qualified production; and**

Without the strikeouts:

Means a production, with expenditures in the State, for the total or partial production of a feature-length motion picture, short film, made-for-television movie, commercial, music video, interactive game, television series pilot **and series, regardless of the medium or means by which the production is conveyed or distributed, including but not limited to broadcast or cable television or streaming platform.** A "qualified production" also includes a television special, single episode that is not part of a television series regularly filmed or based in the State, national magazine show, and national talk show. For the purposes of (d) and (l), each of the aforementioned qualified production categories shall constitute separate, individual qualified productions, **except if the number of episodes per single season of a series exceeds twelve (12), any additional episodes for the same season shall constitute one separate, individual qualified production; and**

Charles Uyehara

2420 Halekoa Drive

Honolulu, Hawaii 96821

808-384-6658

CharlesUyehara@hotmail.com

RE: SB 3265 SD2 - RELATING TO FILM INDUSTRY DEVELOPMENT

DATE: Tuesday, March 19, 2024

Aloha Chair Holt, Vice Lamosao, and the Members of the Committee,

I am in **support** of this measure both as an Actor and Taxpayer in Hawaii.

This bill is a transformative initiative to catapult Hawaii's economy through the growth of our film industry. Here's why it is a game-changer:

- Establishment of Hawaii Film Advisory Council: A dedicated council will strategically position Hawaii as a premier destination for filmmakers, attracting high-profile productions and stimulating economic activity.
- Extension of Motion Picture Tax Credit: This will incentivize more film and digital media production in Hawaii, resulting in increased job opportunities and revenue streams for local businesses.
- Expansion of Tax Credit Eligibility: By including streaming platforms, fashion, and music production costs, the bill ensures that Hawaii remains competitive in the rapidly evolving entertainment landscape, attracting diverse projects and investment.
- General Excise Tax Exemption for Film Studio Development: This exemption will fuel the expansion of state-of-the-art studio facilities, creating a robust infrastructure to support a thriving film industry and attracting long-term investment.
- Allocation of Full-Time Film Industry Development Liaison: With a dedicated liaison, Hawaii can strategically navigate industry trends, forge partnerships, and capitalize on opportunities to maximize the economic benefits of our burgeoning film sector.

Respectfully,



Charles Uyehara

March 18, 2024

House Committee on Economic Development
Representative Daniel Holt, Chair
Representative Rachele F. Lamosao, Vice Chair



Working together for Kapolei

Tuesday March 19, 2024, 10:00 a.m.
Conference Rm. 423 and via Videoconference

Dear Chair Holt, Vice Chair Lamosao, and Members of the Committee:

RE: SB3265 SD2 Relating to Film Industry Development

My name is Kiran Polk, and I am the Executive Director of the Kapolei Chamber of Commerce. The Kapolei Chamber is an advocate for businesses in the Kapolei region which includes Waipahu to Ka'ena Point. The Chamber works on behalf of its members and the entire business community to improve the regional and state economic climate and help Kapolei businesses thrive. We are a member- driven, member-supported organization representing the interests of all types of business: small, medium or large, for profit or non-profit businesses or sole proprietorship.

The Kapolei Chamber is in **support of SB3265 SD2** that establishes the Hawaii Film Advisory Council, amends the motion picture, digital media, and film production income tax credit to increase the annual cap and extends the sunset date of the tax credit to January 1, 2039. It also clarifies and amends the requirement for an independent third-party certification and expands the definition of "qualified production" to include streaming platforms. It also provides a tax exemption for certified development of film studio facilities and establishes one full-time equivalent (1.0 FTE) film industry development liaison within the Creative Industries Division of the Department of Business, Economic Development, and Tourism. There is a declaration that the general fund expenditure ceiling is exceeded and makes an appropriation.

The Kapolei Chamber of Commerce has prioritized the effort to support the establishment of a film studio in West O'ahu. One of the priorities of the Business Revitalization Task Force is to *"Advocate for job growth in digital media, film production and technology industries in West O'ahu."*

This measure will provide the needed incentives to grow a billion-dollar industry here in Hawai'i.

According to the Motion Picture Association, the film and television industry is directly responsible for more than 3,630 jobs in the Islands, which includes more than \$192 million in wages statewide. Hawai'i's Motion Picture, Digital Media and Film Production Income Tax Credit production reports data indicates that local hires are at 80% on average, if not higher.

A film studio would only bring revenue into O`ahu county, it will provide an opportunity for our students to stay here in Hawai`i making a living wage and provide an opportunity for Hawai`i residents to return home. **There are opportunities to employ Hawai`i people across a range of sectors, from construction, catering, costuming, camera, post-production, and beyond.** We also believe that West O`ahu provides the ideal location for a film studio, with the University of Hawai`i – West O`ahu’s Academy of Creative Media establishing just a couple of years ago. The measure also supports providing internships for our future workforce which is also essential to grow this industry.

More jobs, specifically living wage, professional jobs are needed on the west side to keep pace with the population growth in West O`ahu. Decades ago, the City and County of Honolulu adopted a goal of creating a “Second City” and moving residential and economic growth toward West O`ahu. West O`ahu’s growing population of almost 200,000 includes the Wai`anae Coast, `Ewa, and Waipahu. In Kapolei and `Ewa alone households are expected to exceed 56,000 by the year 2035 and over the next 30 years the population in Kapolei and `Ewa will increase by 40 percent and housing by 52 percent.

We believe incentives for job growth, especially in West O`ahu are warranted and needed. We also specifically support job growth in film production on the west side including the incentives so greatly needed to support the effort.

Thank you for your consideration of this measure.

Respectfully,

Kiran Polk
Executive Director



LATE *Testimony submitted late may not be considered by the Committee for decision making purposes.

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
House Committee on Economic Development

Testimony by IATSE 665
March 19th, 2024

S.B. 3265 S.D.2 - RELATING TO FILM INDUSTRY DEVELOPMENT

Aloha Chair Holt, Vice Chair Lamosao, and members of the House 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 SD2**, 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

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. We have concerns that this bill could be used to lower the cap on the film tax incentive, which would be detrimental to the thousands of registered voters who would depend on this industry for their livelihoods. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on. 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.

IATSE Local 665 strongly supports SB 3265 SD2. We hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Tuia'ana Scanlan

IATSE International Trustee, IATSE 665 President (he/him/his)



Chamber of Commerce HAWAII

The Voice of Business

**Testimony to the House Committee on Economic Development
Tuesday, March 19, 2024, at 10AM
Conference Room 423 & Video Conference**

RE: SB3265 SD2 Relating to Film Industry Development

Aloha Chair Holt, Vice Chair Lamosao, and Members of the Committee:

The Chamber of Commerce Hawaii Supports (“The Chamber”) **supports SB3265 SD2**, which establishes the Hawaii Film Advisory Council and makes amendments to the motion picture, digital media, and film production income tax credit, while also providing a general excise tax exemption for certified development of film studio facilities.

The establishment of the Hawaii Film Advisory Council and the proposed amendments to the motion picture tax credit align with the Chamber’s overarching goals to foster industry diversification, development, and economic resilience. This measure, if passed, would help retain and attract talent within Hawaii’s emerging media and entertainment sectors.

The Chamber completed its 2030 Blueprint for Hawaii Initiative earlier this year. The vision was to create a data-based action plan for Business to lead and shape Hawaii’s economic future as a top place to do business. We connected with stakeholders from business, government & community to shape goals and priorities and develop a strategy that presents achievable policy reforms and metrics to increase Hawaii’s economic competitiveness.

The Chamber is Hawaii’s leading statewide business advocacy organization, representing about 2,000+ businesses. Approximately 80% of our members are small businesses with less than 20 employees. As the “Voice of Business” in Hawaii, the organization works on behalf of members and the entire business community to improve the state’s economic climate and to foster positive action on issues of common concern.

On behalf of The Chamber, thank you for this opportunity to testify.



Testimony Presented Before the
Senate Committee on Ways and Means
TUESDAY, MARCH 19, 2024 at 10AM

by

Beckie Stocchetti, Executive Director, Hawaii International Film Festival (HIFF)

SB 3265 SD2 - RELATING TO FILM INDUSTRY DEVELOPMENT

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

Hawai'i International Film Festival (HIFF) is in **support** of SB 3265 SD2 which establishes the Hawaii Film Advisory Council and amends the motion picture, digital media, and film production income tax credit to: (1) Change the aggregate cap amount to an unspecified amount; (2) Extend the sunset date of the tax credit to 1/1/2039; (3) Clarify and amend the requirement for an independent third-party certification; (4) Expand the definition of "qualified production" to include streaming platforms; and (5) Expand the definition of "qualified production costs" to include fashion production and music production costs. Provides a general excise tax exemption for certified development of film studio facilities. Establishes one full-time equivalent (1.0 FTE) film industry development liaison within the Creative Industries Division of the DBEDT.

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. 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 location film production, we catalyze success for all creatives in Hawai'i by advancing locally originated content development as a viable pathway and career. We are grateful for the legislature's continued support of our industry.

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.

Thank you for the opportunity to testify in support of SB 3265 SD 2.

Respectfully and with aloha,

A handwritten signature in black ink that reads 'Beckie Stocchetti'.

Beckie Stocchetti

Executive Director

Hawai'i International Film Festival



House of Representatives
The Thirty-Second Legislature
Regular Session of 2024

COMMITTEE ON ECONOMIC DEVELOPMENT
Rep. Daniel Holt, Chair
Rep. Rachele F. Lamosao, Vice Chair

RE: SB 3265 SD2 RELATING TO FILM INDUSTRY DEVELOPMENT

Date: Tuesday, March 19, 2024
Time: 10:00 a.m.
VIA VIDEOCONFERENCE
Conference Room 423
State Capitol
415 South Beretania Street

March 18, 2024

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

Aloha Chair Holt, Vice Chair Lamosao, 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 SD2, and we **PROPOSE** that the following language be added to the bill, which will:

- Add an alternate tax credit calculation based on the total W2 wages for Qualified Productions to be paid from the same allocation as the current production tax credit.
- Allow for the production tax credit to be reallocated among investor partners, making it easier for local and independent film projects to raise production funding at no additional cost to the state.
- Allow taxpayers to carry forward any unused tax credit instead of receiving a tax credit refund.
- Provide for notice to taxpayers and an opportunity to cure any failure to meet the tax credit requirements.
- Expand the definition of distribution of Qualified Productions to streaming/internet.
- Expand the definition of Digital Media and Qualified Production to include photography and print campaigns.
- Clarify the number of episodes of broadcast television series vs. streaming series that will qualify as a single production.
- Allow for the planning, development and construction of film studio facilities on state or county property to be a Qualified Production.

§235-17 Motion picture, digital media, and film production income tax credit. (a) Any law to the contrary notwithstanding, there shall be allowed to each taxpayer subject to the taxes imposed by this chapter, an income tax credit that shall be deductible from the taxpayer's net income tax liability, if any, imposed by this chapter for the taxable year in which the credit is properly claimed. The amount of the credit shall be:

- (1) Twenty-two per cent of the qualified production costs incurred by a qualified production in any county of the State with a population of over seven hundred thousand; or
- (2) Twenty-seven per cent of the qualified production costs incurred by a qualified production in any county of the State with a population of seven hundred thousand or less; or

- (3) Fifty per cent of the qualified production costs consisting of W2 wages, up to \$100,000 in wages per employee, incurred by a qualified production in any county of the State.

A qualified production occurring in more than one county may prorate its expenditures based upon the amounts spent in each county, if the population bases differ enough to change the percentage of tax credit.

In the case of a partnership, S corporation, estate, or trust, the tax credit allowable is for qualified production costs incurred by the entity for the taxable year. The cost upon which the tax credit is computed shall be determined at the entity level. Distribution and share of credit shall be determined by rule, provided that, with respect to a partner's distributive share, Section 704 of the Internal Revenue Code shall be operative for purposes of this chapter, except that section 704(b)(2) shall not apply.

If a deduction is taken under section 179 (with respect to election to expense depreciable business assets) of the Internal Revenue Code of 1986, as amended, no tax credit shall be allowed for those costs for which the deduction is taken.

The basis for eligible property for depreciation of accelerated cost recovery system purposes for state income taxes shall be reduced by the amount of credit allowable and claimed.

(b) The credit allowed under this section shall be claimed against the net income tax liability for the taxable year. For the purposes of this section, "net income tax liability" means net income tax liability reduced by all other credits allowed under this chapter.

(c) If the tax credit under this section exceeds the taxpayer's income tax liability, the excess of credits over liability shall be refunded to the taxpayer or carried forward at the election of the taxpayer; provided that no refunds or payment on account of the tax credits allowed by this section shall be made for amounts less than \$1. All claims, including any amended claims, for tax credits under this section shall be filed on or before the end of the twelfth month following the close of the taxable year for which the credit may be claimed. Failure to comply with any of the foregoing provision shall constitute a waiver of the right to claim the credit.

(d) To qualify for this tax credit, a production shall:

- (1) Meet the definition of a qualified production specified in subsection (o);
- (2) Have qualified production costs totaling at least \$100,000;

- (3) Provide the State a qualified Hawaii promotion, which shall be at a minimum, a shared-card, end-title screen credit, where applicable;
- (4) Provide evidence of reasonable efforts to hire local talent and crew;
- (5) Provide evidence when making any claim for products or services acquired or rendered outside of this State that reasonable efforts were unsuccessful to secure and use comparable products or services within this State;
- (6) Provide evidence of financial or in-kind contributions or educational or workforce development efforts, in partnership with related local industry labor organizations, educational institutions, or both, toward the furtherance of the local film and television and digital media industries;
- (7) Be compliant with all applicable requirements under title 14, including tax return filing and payments; and
- (8) Provide complete responses to the department of taxation's inquiries and document requests, in the form prescribed by the department, no later than ninety days from the inquiry or request, provided that a taxpayer shall be given notice of and an opportunity to cure any failure to meet the requirements of this subsection; provided further that nothing in this subsection shall be interpreted as waiving any criteria required in this section to claim the tax credit.

(e) On or after July 1, 2006, no qualified production cost that has been financed by investments for which a credit was claimed by any taxpayer pursuant to section 235-110.9 is eligible for credits under this section.

(f) To receive the tax credit, the taxpayer shall first prequalify the production for the credit by registering with the department of business, economic development, and tourism during the development or preproduction stage.

(g) The director of taxation shall prepare forms as may be necessary to claim a credit under this section. The director may also require the taxpayer to furnish information to ascertain the validity of the claim for credit made under this section and may adopt rules necessary to effectuate the purposes of this section pursuant to chapter 91.

(h) Every taxpayer claiming a tax credit under this section for a qualified production shall, no later than ninety days following the end of each taxable year in which qualified production costs were expended, submit a written, sworn

statement to the department of business, economic development, and tourism that identifies:

- (1) All qualified production costs as provided by subsection (a), if any, incurred in the previous taxable year;
- (2) The amount of tax credits claimed pursuant to this section, if any, in the previous taxable year; and
- (3) The number of total hires versus the number of local hires by category and by county.

This information may be reported from the department of business, economic development, and tourism to the legislature pursuant to subsection (i)(4).

(i) The department of business, economic development, and tourism shall:

- (1) Maintain records of the names of the taxpayers and qualified productions thereof claiming the tax credits under subsection (a);
- (2) Obtain and total the aggregate amounts of all qualified production costs per qualified production and per qualified production per taxable year;
- (3) Provide a letter to the director of taxation specifying the amount of the tax credit per qualified production for each taxable year that a tax credit is claimed and the cumulative amount of the tax credit for all years claimed; and
- (4) Submit a report to the legislature no later than twenty days prior to the convening of each regular session detailing the non-aggregated qualified production costs that form the basis of the tax credit claims and expenditures, itemized by taxpayer, in a redacted format to preserve the confidentiality and that shall include the dollar amount claimed, name of company, and name of the qualified production of the taxpayers claiming the credit.

(j) Upon each determination required under subsection (i), the department of business, economic development, and tourism shall issue a letter to the taxpayer, regarding the qualified production, specifying the qualified production costs and the tax credit amount qualified for in each taxable year a tax credit is claimed; provided that the department of business, economic development, and tourism shall issue the letter to the taxpayer no later than seven months after receipt of the taxpayer's statement under subsection (h). The taxpayer for each qualified production shall file the letter with the taxpayer's tax return for the qualified production to the

department of taxation. Notwithstanding the authority of the department of business, economic development, and tourism under this section, the director of taxation may audit and adjust the tax credit amount to conform to the information filed by the taxpayer.

(k) Each taxpayer claiming a tax credit under this section shall submit to the department of business, economic development, and tourism a fee for the motion picture, digital media, and film production income tax credit in an amount equal to 0.2 per cent of the tax credit claimed by the qualified production no later than the deadline stated in subsection (c). The department of business, economic development, and tourism may prescribe the form and method by which this fee is remitted, including through electronic means. The fees collected under this subsection shall be deposited into the Hawaii film and creative industries development special fund under section 201-113.

(l) Total tax credits claimed per qualified production shall not exceed \$17,000,000.

(m) Qualified productions shall comply with subsections (d), (e), (f), (h), and (k).

(n) The total amount of tax credits allowed under this section in any particular year shall be \$50,000,000; however, if the total amount of credits applied for in any particular year exceeds the aggregate amount of credits allowed for that year under this section, the excess shall be treated as having been applied for in the subsequent year and shall be claimed in the subsequent year; provided that no excess shall be allowed to be claimed after December 31, 2032.

(o) For the purposes of this section:

"Commercial":

(1) Means an advertising message that is filmed using film, videotape, or digital media, for dissemination via television broadcast ~~or~~, theatrical distribution streaming and/or the internet;

(2) Includes a series of advertising messages if all parts are produced at the same time over the course of six consecutive weeks; and

~~(3) Does not include an advertising message with Internet-only distribution.~~

"Digital media" means production methods and platforms directly related to the creation of cinematic and photographic imagery and content, ~~specifically using digital means, including but not limited to digital cameras, digital sound equipment, and~~

~~computers~~, to be delivered via film, videotape, print, interactive game platform, or other digital distribution media.

"Post-production" means production activities and services conducted after principal photography is completed, including but not limited to editing, film and video transfers, duplication, transcoding, dubbing, subtitling, credits, closed captioning, audio production, special effects (visual and sound), graphics, and animation.

"Production" means a series of activities that are directly related to the creation of visual and cinematic imagery to be delivered via film, videotape, or digital media and to be sold, distributed, or displayed as entertainment or the advertisement of products for mass public consumption, including but not limited to scripting, casting, set design and construction, transportation, videography, photography, sound recording, interactive game design, ~~and post-production~~ and the construction of film studio facilities.

"Qualified production":

- (1) Means a production, with expenditures in the State, for the total or partial production of a feature-length motion picture, short film, made-for-television movie, commercial, print campaign, music video, interactive game, television series pilot, single season (up to twenty-two episodes for broadcast television and up to eight episodes streaming platforms) of a television series ~~regularly~~-filmed in the State (if the number of episodes per single season exceeds the number set forth above, additional episodes for the same season shall constitute a separate qualified production), television special, single television episode ~~that is not part of a television series regularly filmed or based in the State~~, national magazine show, ~~or~~ national talk show and the construction of film studio facilities on State or county property. For the purposes of subsections (d) and (1), each of the aforementioned qualified production categories shall constitute separate, individual qualified productions; and
- (2) Does not include:
 - (A) News;
 - (B) Public affairs programs;
 - (C) Non-national magazine or talk shows;
 - (D) Televised sporting events or activities;
 - (E) Productions that solicit funds;

(F) Productions produced primarily for industrial, corporate, institutional, or other private purposes; and

(G) Productions that include any material or performance prohibited by chapter 712.

"Qualified production costs" means the costs incurred by a qualified production within the State that are subject to the general excise tax under chapter 237 at the highest rate of tax or income tax under this chapter if the costs are not subject to general excise tax and that have not been financed by any investments for which a credit was or will be claimed pursuant to section 235-110.9. Qualified production costs include but are not limited to:

- (1) Costs incurred during preproduction such as location scouting and related services;
- (2) Costs of set construction and operations, purchases or rentals of wardrobe, props, accessories, food, office supplies, transportation, equipment, and related services;
- (3) Wages or salaries of cast, crew, and musicians;
- (4) Costs of photography, sound synchronization, lighting, and related services;
- (5) Costs of editing, visual effects, music, other post-production, and related services;
- (6) Rentals and fees for use of local facilities and locations, including rentals and fees for use of state and county facilities and locations that are not subject to general excise tax under chapter 237 or income tax under this chapter;
- (7) Rentals of vehicles and lodging for cast and crew;
- (8) Airfare for flights to or from Hawaii, and interisland flights;
- (9) Insurance and bonding;
- (10) Shipping of equipment and supplies to or from Hawaii, and interisland shipments;
- (11) Planning, development and construction costs relating to film studio facilities on state or county property;
and
- ~~(11)~~12) Other direct production costs specified by the department in consultation with the department of business, economic development, and tourism;

provided that any government-imposed fines, penalties, or interest that are incurred by a qualified production within the State shall not be "qualified production costs". "Qualified production costs" does not include any costs funded by any

grant, forgivable loan, or other amounts not included in gross income for purposes of this chapter.

Me ke aloha,

Two handwritten signatures in black ink. The first signature is on the left and the second is on the right.

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

SB-3265-SD-2

Submitted on: 3/15/2024 10:53:38 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Erin Stamos	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Erin Stamos, and I am a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Erin Stamos

Pahoa, Hawaii

SB-3265-SD-2

Submitted on: 3/15/2024 11:08:11 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Christopher Foster	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Christopher Foster. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Christopher Foster

SB-3265-SD-2

Submitted on: 3/15/2024 11:08:51 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Danny Cochran.. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Danny Cochran

SB-3265-SD-2

Submitted on: 3/15/2024 11:15:40 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Alexander W Gage	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Alexander W Gage . I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Alexander W. Gage

SB-3265-SD-2

Submitted on: 3/15/2024 11:24:59 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Keahi S Kuikahi. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. I strongly support SB3265 SD2, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Keahi S Kuikahi

SB-3265-SD-2

Submitted on: 3/15/2024 12:24:35 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Kākou,

I am a member of IATSE Local 665 and I stand in proud and tall support of our Hawaii film industry's main tax incentive. The bottom line is that the state of Hawai'i needs to buck up and do more for us to be competitive. For example this year, we lost a majority of Disney's apprx \$300,000,000.00 Moana Live Action remake to the State of Georgia, which has better tax credits and ample studio capacity. So please and thank you in advance for passing this bill and providing your strong support to the hundreds of members of our union, to the thousands of workers sustained by the film industry here, and all our 'ohana who depend on this work so that we can prosper into the future.

mahalo

'Alika Leavey

Volcano Village, Puna

SB-3265-SD-2

Submitted on: 3/15/2024 12:45:05 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Kaipu Seales. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Kaipu Seales

SB-3265-SD-2

Submitted on: 3/15/2024 1:32:37 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
kayceekaleofilm@gmail.com	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Kaycee Phillips, I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Kaycee Kaleo Phillips

SB-3265-SD-2

Submitted on: 3/15/2024 2:42:21 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Please support this bill!! This bill will change the film industry in Hawaii in an extraordinary way! By supporting this bill you will make Hawaii a a much more attractive place for the film industry; worldwide, to do business. This additional business will bring in huge revenue for the state as each production/show has a significant economic impact for our islands. More productions equals greater impact; much more so than a single production tax. When one looks at the economic impact of just one production it is easy to see how widespread this impact is; Hotel rooms, rental cars, restaurants, rental equipment, ancillary businesses, local living wage jobs, etc. And from all of this the taxes that the state earns. Money spent in our state in our community. This industry has the potential to be one of the main drivers of our state economy if we just invite it to grow. Please support this bill!

Mahalo

SB-3265-SD-2

Submitted on: 3/15/2024 2:46:49 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Erika K Aresta. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Erika K Aresta

SB-3265-SD-2

Submitted on: 3/15/2024 2:56:17 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Ron Evans . I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Ron Evans

SB-3265-SD-2

Submitted on: 3/15/2024 3:29:12 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is [Sonny Ortiz]. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

[Sonny Ortiz]

SB-3265-SD-2

Submitted on: 3/15/2024 3:35:19 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Laura Toterò. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Laura Toterò

SB-3265-SD-2

Submitted on: 3/15/2024 5:00:43 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kevin Kersting	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Kevin Kersting, I've been a member of IATSE Local 665, for over 35. yrs. The union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same.

Mahlo, for the opportunity to testify.

Kevin Kersting

SB-3265-SD-2

Submitted on: 3/15/2024 5:39:31 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Travis Hoover. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Travis Hoover

SB-3265-SD-2

Submitted on: 3/15/2024 8:47:51 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Kapala Novikoff. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Kapala Novikoff

SB-3265-SD-2

Submitted on: 3/16/2024 7:49:57 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jeff soto	Individual	Support	Written Testimony Only

Comments:

My name is jeff soto. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, relating to film industry development.

SB-3265-SD-2

Submitted on: 3/16/2024 7:50:31 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Debra Grey	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Debra Grey. I am a member of the Fandom of Magnum PI:

I am asking for your support of SB 3265 SD2 as a positive economic impact on the film industry, the state economy, and the working families of Hawaii. Helping to establish the Hawaii film advisory council, providing tax credits in film production and expanding on streaming platforms all helps with a positive impact to the local economy. It will bring in more jobs, bring revenue to local businesses and help the working families. [OB]

As one of the millions of fans for MagnumPI, I am supporting this to help our show possibly get a revival. We need these tax credits and the local industry supported, which inturn incentivizes the network to put it back on. This, of course, creates more jobs and a positive impact on your community.

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.

I strongly support SB3265 SD2. I hope your committee will do the same.
Thank you for the opportunity to testify.

SB-3265-SD-2

Submitted on: 3/16/2024 6:54:55 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
fabienne lequertier	Individual	Support	Written Testimony Only

Comments:

Because we are a huge fan of the wonderful MagnumPI we don't use to quit a cause and the cause is important for the film industry ! All the shows and movies we can watch are so important. This bill could allow a show so positif and with great value to come back and will be an asset for your industry and the island ! This is a view on your wonderful island ! the amazing spirit and the peaceful we can feel ! We are from all over the world and dream to come visiting you ! it is a great chance for the industry but also tourism industry ! we came from France in August and just bought our flight for next January because when you come once you have to come again.

And all this because of MagnumPI ! So help your people, help the industry both film and tourism ! this is important to find some peace in this world and we can find it on your amazing island

SB-3265-SD-2

Submitted on: 3/16/2024 11:48:56 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

My name is Marie Damata and I am a member of the Fandom of Magnum PI:

I am asking for your support of SB 3265 SD2 as a positive economic impact on the film industry, the state economy, and the working families of Hawaii. Helping to establish the Hawaii film advisory council, providing tax credits in film production and expanding on streaming platforms all helps with a positive impact to the local economy. It will bring in more jobs, bring revenue to local businesses and help the working families. [OBJ]

As one of the millions of fans for MagnumPI, I am supporting this to help our show possibly get a revival. We need these tax credits and the local industry supported, which inturn incentivizes the network to put it back on. This, of course, creates more jobs and a positive impact on your community.

**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.
solidarity**

Marie Damata

SB-3265-SD-2

Submitted on: 3/17/2024 12:35:26 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
brandon Tapati	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Brandon Tapati. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

Mahalo Nui,

Brandon Tapati

SB-3265-SD-2

Submitted on: 3/17/2024 4:36:12 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Raimar Bylaardt II. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Raimar Bylaardt II

SB-3265-SD-2

Submitted on: 3/17/2024 10:27:35 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Thomas h. Penny	Individual	Support	Written Testimony Only

Comments:

My name is Thomas H. Penny. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

SB-3265-SD-2

Submitted on: 3/17/2024 7:25:22 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Fabio Bylaardt. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Fabio Bylaardt

SB-3265-SD-2

Submitted on: 3/17/2024 8:42:11 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

All of this being proposed is important for Hawaii to take a step forward instead of staying complacent. We're long overdue for another film studio and we should also be expanding statewide to start building infrastructure everywhere. Projects/Studio projects looking to come to Hawaii already know what the tax incentive is - they budget Hawaii vs NZ vs Canada, etc - that's how the studio works. They go where it makes sense for budgetary reasons - even though Hawaii maybe the perfect location. We've lost so many shows - whether it's the whole show or a portion of it - when Hawaii could be having more major opportunities for work force development for the locals. On another note, with no uptick in the incentive to hire a certain percentage locally or mandate in training, studios will continue to bring in mainland dept heads. Episodic TV series are a perfect example of how training could be taking place from Day 1 (as well as internships) to help elevate our industry personnel.

SB-3265-SD-2

Submitted on: 3/18/2024 5:03:31 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Waipakawiwoole Parker. I’ve been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai’i. I strongly support SB3265 SD2, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai’i, it is imperative that we empower the creation of film studio facilities, which Hawai’i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,
Waipakawiwoole Parker

SB-3265-SD-2

Submitted on: 3/18/2024 6:32:52 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Kathleen McGuire	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao and members of the House Committee,

My name is Kathleen McGuire. I am a member of the Magnum PI Fandom:

I am asking you to support SB 3265 SD2 as a positive impact on the film industry, the state economy and the working families of Hawaii. Helping to establish the Hawaiian film advisory council, providing tax credits in film production and expanding on steaming platforms will help bring a positive impact to the local economy. It will bring more jobs, bring in revenue to local businesses and help working families.

As one of the millions of fans for Magnum PI, I am supporting this to help our show possibly get a revival. We need these tax credits and local industry support which hopefully will incentivize the network to put it back on. This creates more jobs and a positive impact on your communities. Having more shows filmed in Hawaii teaches us so much about the Hawaiian culture and allows us to see the e beauty of the Hawaiian Islands.

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

I strongly support SB3265 SD2. I hope your committee will do the same.

Mahalo for the opportunity to testify.

In Solidarity,

Kathleen McGuire

SB-3265-SD-2

Submitted on: 3/18/2024 9:14:26 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Lamosao, and the Members of the Committee,

Thank you for the opportunity to testify in SUPPORT of SB 3265 SD 2 - RELATING TO FILM INDUSTRY DEVELOPMENT.

I am an actor, SAG-AFTRA member, and full time resident of Oahu.

I am grateful for the legislature's continued support of this industry. Specifically, with this measure, I appreciate the addition of language that establishes an advisory council, supports infrastructure, clarifies certain definitions, and extends the credit to 2038. I urge the body to keep these incentives intact.

Respectfully,

Scott Swartz

SB-3265-SD-2

Submitted on: 3/18/2024 9:16:59 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Glen Kagamida	Individual	Support	Written Testimony Only

Comments:

WILL SUPPORT AND BOOST THE FILM / MOVIE INDUSTRY.

MAHALO!

SB-3265-SD-2

Submitted on: 3/18/2024 1:41:19 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

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

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Lisa Lee Mitchell. I am a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

Sincerely,

Lisa Lee Mitchell

SB-3265-SD-2

Submitted on: 3/18/2024 9:24:46 PM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Chauncy Williams	Individual	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Chauncy Williams. I've been a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **I strongly support SB3265 SD2**, 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).

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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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Chauncy Williams

SB-3265-SD-2

Submitted on: 3/19/2024 7:00:49 AM

Testimony for ECD on 3/19/2024 10:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Terri Ewton	IATSE665	Support	Written Testimony Only

Comments:

Aloha Chair Holt, Vice Chair Lamosao, and members of the House committee,

My name is Terri Ewton. I am a member of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. I strongly support SB3265 SD2, 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).

To maximize the positive economic impact of this industry on the state economy and on the working families of Hawai'i, it is imperative that we empower the creation of film studio facilities, which Hawai'i is sorely in need of. Your support of SB 3265 SD2 will contribute to the diversification of our local economy, create more thriving wage union jobs, and bring more revenue to the thousands of local businesses and local working families that the industry depends on.

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.

I strongly support SB3265 SD2. I hope your committee will do the same. Thank you for the opportunity to testify.

In Solidarity,

Terri Ewton