JOSH GREEN, M.D.

SYLVIA LUKE LIEUTENANT GOVERNOR

OFFICE OF THE PUBLIC DEFENDER

EMPLOYEES' RETIREMENT SYSTEM
HAWAI'I EMPLOYER-UNION HEALTH BENEFITS TRUST FUND

LUIS P. SALAVERIA

SABRINA NASIR DEPUTY DIRECTOR

STATE OF HAWAI'I DEPARTMENT OF BUDGET AND FINANCE Ka 'Oihana Mālama Mo'ohelu a Kālā

> P.O. BOX 150 HONOLULU, HAWAI'I 96810-0150

ADMINISTRATIVE AND RESEARCH OFFICE BUDGET, PROGRAM PLANNING AND MANAGEMENT DIVISION FINANCIAL ADMINISTRATION DIVISION OFFICE OF FEDERAL AWARDS MANAGEMENT

# **WRITTEN ONLY**

TESTIMONY BY LUIS P. SALAVERIA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
TO THE HOUSE COMMITTEE ON FINANCE
ON
SENATE BILL NO. 1641, S.D. 2, H.D. 1

March 28, 2025 3:30 p.m. Room 308 and Videoconference

### RELATING TO THE STATE OF HAWAII FILM COMMISSION

The Department of Budget and Finance (B&F) offers comments on this bill.

Senate Bill (S.B.) No. 1641, S.D. 2, H.D. 1, does the following: 1) establishes the Hawai'i Film Authority (HFA) within the Department of Business, Economic

Development and Tourism (DBEDT) for the purposes of promoting and developing film industries in the State; 2) requires HFA to submit annual reports to the Legislature;

3) establishes the HFA Board along with its powers and responsibilities; 4) establishes the Film Industry Development Special Fund (FIDSF) to be used for HFA operations and initiatives and allows the fund to receive revenues from legislative appropriations, donations, grants, all income derived from DBEDT's management of public film production facilities, excluding the Hawai'i Film Studio, and all income derived from the processing of the Motion Picture, Digital Media, and Film Production income tax credit (Film Tax Credit); 5) renames the existing Hawai'i Film and Creative Industries

Development Special Fund to the Hawai'i Creative Industries Development Special

Fund (HCIDSF) and eliminates the income derived from the processing of the Film Tax

Credit as a source of revenue for the fund; 6) appropriates an unspecified amount of general funds in FY 26 for deposit into the FIDSF; 7) appropriates an unspecified amount of special fund ceiling in FY 26 for the FIDSF for 3.00 positions to administer the HFA; and 8) transfers all rights, powers, functions and duties of the Hawai'i Film Office to the HFA.

As a matter of general policy, B&F does not support the creation or continuance of any special fund which does not meet the requirements of Section 37-52.3, HRS. Special funds should: 1) serve a need as demonstrated by the purpose, scope of work, and an explanation why the program cannot be implemented successfully under the general fund appropriation process; 2) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries or a clear link between the program and the sources of revenue; 3) provide an appropriate means of financing for the program or activity; and 4) demonstrate the capacity to be financially self-sustaining. Regarding S.B. No. 1641, S.D. 2, H.D. 1, it is difficult to determine the impact to the HCIDSF's self-sustainability should it be forced to forgo Film Tax Credit revenues. Likewise, it is difficult to determine whether the proposed FIDSF would be self-sustaining.

Thank you for your consideration of our comments.



# TESTIMONY OF THE DEPARTMENT OF THE ATTORNEY GENERAL KA 'OIHANA O KA LOIO KUHINA THIRTY-THIRD LEGISLATURE, 2025

# ON THE FOLLOWING MEASURE:

S.B. NO. 1641, S.D. 2, H.D. 1, RELATING TO THE STATE OF HAWAII FILM COMMISSION.

**BEFORE THE:** 

HOUSE COMMITTEE ON FINANCE

**DATE:** Friday, March 28, 2025 **TIME:** 3:30 p.m.

**LOCATION:** State Capitol, Room 308

**TESTIFIER(S):** Anne E. Lopez, Attorney General, or

Kevin C. Tongg or Christopher J.I. Leong, Deputy Attorneys

General

Chair Yamashita and Members of the Committee:

The Department of the Attorney General (Department) opposes this bill as currently drafted.

The purposes of this bill are to: (1) establish the Hawaii Film Authority within the Department of Business, Economic Development, and Tourism (DBEDT); (2) establish the Hawaii Film Authority Board within the Hawaii Film Authority; (3) establish the film industry development special fund; (4) amend the Hawaii film and creative industries development special fund; (5) require annual reports to the Legislature; and (6) appropriate funds.

Section 201-C of the new sections proposed to be added to part IX of chapter 201, Hawaii Revised Statutes (HRS), by section 2 of this bill on page 2, line 18, to page 3, line 2, authorizes the Hawaii Film Authority to "partner with cultural organizations and provide grants to promote indigenous storytelling." The Department has concerns that the new section 201-C does not contain legally sufficient standards for grants of public money as required by article VII, section 4, of the Constitution of the State of Hawaii, which provides that "[n]o grant of public money or property shall be made except pursuant to standards provided by law." Therefore, we strongly recommend amending this bill to state the source of the funding for the grants and to insert appropriate standards. Examples of existing statutes that provide standards for agencies to issue

grants are part II of chapter 9 and sections 10-17, 210D-11, and 383-128, HRS. We have attached draft standards to this testimony as a sample to work from. These standards could be inserted at the end of section 201-C after page 3, line 2.

Additionally, section 201-G on page 8, line 1, to page 9, line 11, of this bill would establish the film industry development special fund to be administered by DBEDT. The Department has concerns that the fund may not meet the requirements of section 37-52.3, HRS, which provides that special funds shall: (1) serve a need as demonstrated by the purpose and scope of the program and an explanation of why the program cannot be implemented successfully under the general fund appropriation process; (2) reflect a clear nexus between the benefits sought and charges made upon program users or beneficiaries or a clear link between the program and the sources of revenue; (3) provide an appropriate means of financing for the program or activity; and (4) demonstrate the capacity to be financially self-sustaining.

This bill does not describe the scope of the program, including financial information on fees to be charged, sources of projected revenue, and costs; contain an explanation as to why the special fund could not be successfully implemented under the general fund appropriation process; reflect a clear nexus between the benefits sought and charges made upon the program users or beneficiaries or a clear link between the program and the sources of revenue; provide an appropriate means of financing for the program or activity that is used only when essential to the successful operation of the program or activity; or demonstrate how the initiative will be financially self-sustaining.

We strongly recommend adding a purpose section to this bill that explains how the fund meets the requirements of section 37-52.3, HRS.

Without the addition of grant standards (sample attached) and a preamble to meet the requirements of section 37-52.3, HRS, as described above, we recommend holding the bill.

Thank you for the opportunity to testify.

# POSSIBLE STANDARDS FOR THE GRANTS IN THIS BILL

Applications for grants shall be made to the authority and contain the information as shall be required by rules adopted thereunder. At a minimum, the applicant shall:

- (1) Be licensed or accredited, in accordance with federal, state, or county statutes, rules, or ordinances, to conduct the activities or provide the services for which a grant is awarded;
- (2) Provide a detailed plan outlining the scope, objectives, and projected impact of the project or projects and a clear breakdown of how grant funds will be utilized;
- (3) Agree to use state funds exclusively for the purposes of this program;
- (4) Indicate capability to properly use the grant for the purpose of the grant program. [Specific applicant qualifications should be described for the different types of grants.];
- (5) Comply with all applicable federal and state laws prohibiting discrimination against any person on the basis of race, color, national origin, religion, creed, sex, age, sexual orientation, disability, or any other characteristic protected under applicable federal or state law;
- (6) Agree not to use state funds for purposes of perquisites;
- (7) Comply with other requirements as the authority may prescribe;
- (8) Comply with all applicable federal, state, and county statutes, rules, and ordinances;
- (9) Agree to indemnify and save harmless the State of Hawaii and its officers, agents, and employees from and against any and all claims arising out of or resulting from activities carried out or projects undertaken with funds provided hereunder and procure

# Testimony of the Department of the Attorney General Thirty-Third Legislature, 2025 Page 4 of 4

sufficient insurance to provide this indemnification if requested to do so by the authority.

(10) Agree to make available to the authority all records the applicant may have relating to the grant, to allow state agencies to monitor the applicant's compliance with this section.

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



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

KA 'OIHANA HO'OMOHALA PĀ'OIHANA, 'IMI WAIWAI A HO'OMĀKA'IKA'I SYLVIA LUKE

JAMES KUNANE TOKIOKA

DANE K. WICKER
DEPUTY DIRECTOR

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

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

# Statement of JAMES KUNANE TOKIOKA Director

Department of Business, Economic Development, and Tourism before the

# **HOUSE COMMITTEE ON FINANCE**

Friday, March 28, 2025 3:30 PM State Capitol, Conference Room #308

# In consideration of SB1641, SD2, HD1 RELATED TO THE STATE OF HAWAI'I FILM COMMISSION

Chair Yamashita, Vice Chair Takenouchi and members of the Committee. The Department of Business, Economic Development and Tourism (DBEDT) supports the intent of SB1641, SD2, HD1 and offers comments on this measure which seeks to 1) establish a Hawai'i Film Authority, 2) formalizes its responsibilities, composition, members of the board, staffing roles and duties, 3) transfers the existing film industry branch staff in DBEDT with all rights, powers and civil service status, 4) requires appointment of an executive directors and staff, 5) makes amendments to Chapter 201 to include ability to invest in films, infrastructure and facilities development, support of local indigenous projects and provides the ability to receive returns on these investments through a newly established Hawai'i Film Industry Development Special Fund, amends HRS 201-113 to exclude the term "film" and 6) provides appropriations for staffing and operating costs.

To evolve and accelerate growth of Hawai'i's \$400 million film production industry, the creation of a Hawai'i Film Authority would serve as a cohesive body to capitalize and grow the full potential of the film sector as a vibrant, economic driver for the state.

We appreciate amendments in HD1 which further define roles and responsibilities of the Hawai'i Film Authority, the composition of its board, including language to ensure the current DBEDT Hawai'i film office, film branch staff positions maintain their status in the transfer.

The department and its Creative Industries Division (CID) further emphasize the importance of maintaining the core intent and purpose of HRS 201-113 and support the deletions of the term "film" only to align with the new Hawai'i Film Industry Development Fund. It is important to maintain the function and purposes as originally intended by including "media" in the proposed re-titled Hawai'i Creative Industries Development Special Fund which supports media, and other forms of creative intellectual property development across Hawai'i's entrepreneurial sectors. This reinforces DBEDT continuing work in providing access to capital, skills and workforce development and facilities for the non-film creative and emerging sectors.

The department respectfully requests the committee's consideration of the following proposed amendments to further clarify distinctions between HRS 201-113 and the new Hawai'i Film Industry Development Special Fund:

# Section 2, relating to "Hawai'i Creative Industries Development Special Fund" to conform with the purpose and intent of 201-113:

- 1. Page 9, line 3, delete the term "digital media"
- 2. Page 9, line 19, reinstate the term "media"
- 3. Page 10, line 1, reinstate the term "media"
- 4. Page 10, line 9, <u>reinstate the term "media</u>" and <u>amend the definition</u> as follows:
  - a. <u>Media content includes emerging forms of media, interactive, virtual reality, augmented reality, videogame design, multiplayer videogame creation and distribution, electronic sports, podcasting, animation, fashion, design, music, performing arts, traditional and electronic publishing.</u>

- 5. Page 10, lines 10-13, <u>delete the terms "interactive, virtual reality, augmented reality, and other forms of emerging media, multi-player videogame publishing, and other digitally developed content</u>
- 6. Page 12, lines 1 and 2, reinstate "media, electronic sports,
- 7. Page 12, line 6, reinstate "media"
- 8. Page 12, line 8, <u>insert language</u> to clarify marketing as "Marketing programs that support and attract...."
- 9. Page 12, line 9, reinstate "media"
- 10. Page 12, line 13, reinstate "media and entertainment"

DBEDT notes and asks for your further consideration to insert a new section after Sections 5 and 6, to include an appropriation for HRS 201-113 for FY26-27. The current funding in HRS 201-113 is sourced from rents at studio facilities managed by DBEDT. As proposed, the new Hawai'i Film Industry Development Fund, as currently written, will eliminate a major source of funding. Grants and other sources of contributions, and foundation support shall continue.

The department is committed to fostering innovation and economic diversification through newly proposed initiatives such as SB 1641, SD2, HD1, and when layered with the current film incentive, has the potential to offer a major opportunity to grow the film industry while attracting production.

Thank you for the opportunity to testify.

Submitted on: 3/25/2025 1:03:42 PM

Testimony for FIN on 3/28/2025 3:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Michael Golojuch, Jr. (he/him)	Pride at Work – Hawai'i	Support	Remotely Via Zoom

# Comments:

Aloha Representatives,

Pride at Work – Hawai'i is an official chapter of <u>Pride at Work</u> which is a national nonprofit organization that represents LGBTQIA+ union members and their allies. We are an officially recognized constituency group of the AFL-CIO that organizes mutual support between the organized Labor Movement and the LGBTQIA+ Community to further social and economic justice.

Pride at Work – Hawai'i fully supports SB 1641 SD 2 HD 1.

We ask that you support this needed piece of legislation.

Mahalo,

Michael Golojuch, Jr. (he/him) President <u>Pride at Work – Hawai'i</u>



# 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-Third Legislature, State of Hawai'i Regular Session of 2025 House Committee on Finance Testimony by IATSE 665 March 28th, 2025

# SB1641 SD2 HD1 - RELATING TO THE STATE OF HAWAII FILM COMMISSION

Aloha Chair Yamashita, Vice Chair Takenouchi, and members of the House committee,

My name is Tuia'ana Scanlan, IATSE International Trustee and President of IATSE Local 665, the union representing technicians and artisans in the entertainment industry in Hawai'i. **IATSE 665 supports SB1641 SD2 HD1 with a proposed amendment**, relating to the state of Hawai'i film commission

While we appreciate and support the intention of the bill to create a transparent oversight entity for Hawai'i's film industry, and acknowledge the need for the oversight body to evolve in order to address emergent needs, we have serious concerns about the potential 1st Amendment and conflict of interest issues regarding this bill. There is no such thing as an "Assistant Producer". Producers do receive money for successful projects (i.e. "points on the product"). But would the Authority, as a co-producer, be willing to take the losses as well? Still, producers have power over the approval of the content of a film or television show. This leans dangerously over the line of state-run media and propaganda. With this, the Authority could restrict a production's 1st Amendment rights by denying funding to a production that doesn't comply with a required edit. Furthermore, if the Film Authority is a producer, a project that they back will have a significant advantage over other applicants because of the proximity to the application approval process and its relevant personnel. To this end, we propose SB1641 SD2 HD1 be amended by omitting Section 201-B, subsection (b), sub-subsection (3) (page 2, lines 12-14):

12 (3) Serve as a co-producer or assistant producer in film

13 projects that promote local culture and industry

14 growth.

IATSE 665 supports SB1641 SD2 HD1 with the proposed amendment. We hope you will take them into consideration while you deliberate on this important bill.

In Solidarity,

Tuia'ana Scanlan

IATSE International Trustee President, IATSE 665

(he/him/his)

The Thirty-Third Legislature House of Representatives Committee on Finance

Testimony by Hawaii State AFL-CIO

March 28, 2025

# TESTIMONY IN SUPPORT OF SB1641 SD2 HD1 – RELATING TO THE STATE OF HAWAI'I FILM COMMISSION

Chair Yamashita, Vice Chair Takenouchi, and members of the committee:

The Hawaii State AFL-CIO is a state federation of 76 affiliate labor organizations representing over 69,000 union members across Hawaii in industries including healthcare, construction, hospitality, entertainment, transportation, and government. The Hawaii State AFL-CIO serves its affiliates by advocating for the rights of working families, promoting fair wages, safe working conditions, and policies that strengthen Hawaii's workforce.

We support SB1641 SD2 HD1, which strengthens Hawai'i's film, television, and media industries by establishing the State of Hawaii Film Authority and the State of Hawaii Film Authority Board. A dedicated entity focused on the film industry will provide structure, strategic planning, and investment to expand economic opportunities and high-paying jobs in this growing sector.

This measure prioritizes workforce development by supporting training programs, creating local employment opportunities, and developing partnerships that ensure Hawaii residents benefit from the film industry's expansion. The creation of a stable workforce pipeline and investment in local talent will help sustain long-term industry growth. Infrastructure improvements, tax incentives, and industry promotion will attract more productions, generating economic benefits while keeping jobs local.

We respectfully request the committee's support for this measure.

Respectfully submitted,

Randy Perreira

President



HEARING BEFORE THE HOUSE COMMITTEE ON FINANCE HAWAII STATE CAPITOL, HOUSE CONFERENCE ROOM 308 Friday, March 28, 2025 AT 3:30 P.M.

To The Honorable Representative Kyle T. Yamashita, Chair The Honorable Representative Jenna Takenouchi, Vice Chair Members of the Committee on Finance

### COMMENTS ON SB1641 SD2 RELATING TO THE STATE OF HAWAII FILM COMMISSION

The Maui Chamber of Commerce would like to offer **COMMENTS on SB1641 SD2 HD1** which establishes the Hawaii Film Authority within the Department of Business, Economic Development, and Tourism and transfers the rights, powers, functions, and duties of the Hawaii Film Office to the Authority; establishes the Hawaii Film Authority Board within the Hawaii Film Authority; establishes the Film Industry and Development Special Fund; renames the Hawaii Film and Creative Industries Development Special Fund the Hawaii Creative Industries Development Special Fund and excludes media and film from the definition of creative industries; allows the Creative Industries Development Special Fund to be used for the support and development of facilities and other initiatives to grow the State's creative industries; and requires annual reports to the Legislature.

The Chamber has long been a strong supporter of the film industry and fully supports the creation of the Hawai'i Film Authority and its proposed responsibilities. We also support the allocation of funding for additional staff necessary to implement this initiative. We believe this effort represents a valuable contribution to Hawai'i's economic diversification strategy.

However, the Chamber has significant concerns regarding the current composition of the Authority's board, which has changed in HD1—specifically, that only one county film commissioner will be represented at a time, on a rotating basis. This is unacceptable to us and we were very disappointed to see this change. Each island has distinct and diverse needs related to film and media production. Limiting representation to one island every two years does not adequately reflect this diversity and marks a step backward from previous versions of the bill, which we fully supported.

Further, film is one of the key ways we feel Maui's economy can be diversified and it is critical that all stakeholders are at the table.

As such, the Maui Chamber of Commerce cannot support the current version of the bill unless it is amended to include all county film commissioners as members of the Hawai'i Film Authority Board.

Mahalo for the opportunity to **COMMENT on SB1641 SD2 HD1**. We respectfully **urge the Legislature to restore language that ensures representation from each county's film commissioner on the Authority**.

Sincerely,

Pamela Tumpap President

Pamela Jumpap

To advance and promote a healthy economic environment for business, advocating for a responsive government and quality education, while preserving Maui's unique community characteristics. March 28, 2025

House Committee on Finance Representative Kyle Yamashita, Chair Representative Jenna Takenouchi, Vice Chair



Working together for Kapolei

Friday March 28, 2025, 3:30 p.m. Conference Rm. 415 and via videoconference

Dear Chair Yamashita, Vice Takenouchi, and members of the committee:

### RE: SB1641 SD2 HD 1 Relating to the Film Commission

My name is Kiran Polk, and I am the Executive Director & CEO of the Kapolei Chamber of Commerce. The Kapolei Chamber of Commerce is an advocate for businesses in the Kapolei region including Waipahu, Kapolei, 'Ewa Beach, Nānakūli, Wai'anae and Mākaha. The Chamber works on behalf of its members and the business community to improve the regional and State economic climate and help West O'ahu 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 of Commerce **supports SB1641**, which establishes the Hawai'i State Film Office within the Department of Business, Economic Development, and Tourism to support the state's film and media industries. This measure also creates the Hawai'i State Film Commission within the Hawai'i State Film Office, ensures that investment revenues and returns from collected fees and charges are deposited into the Hawai'i Film and Creative Industries Development Special Fund, and allows the Department to utilize the fund to support and develop facilities, film tax incentives, and other initiatives to grow the state's creative industries.

However, we do have one comment:

We respectfully ask that the language regarding county representation be restored to the previous version found in SB1641 SD2.

In the current HD1, representation rotates every two years among all counties as follows:

One member from a county film office, who shall serve a term of two years in the following order by county:

- (A) Hawai'i
- (B) Maui
- (C) O'ahu
- (D) Kaua'i

We urge the restoration of the SB1641 SD2 language:

"One member from each of the counties' film offices;"

Each county has specific needs and unique variables, and representation must be uniform.

West O'ahu has long played a leadership role in film production and is a significant stakeholder that deserves representation through our county leadership.

As a strong advocate for economic growth in West O'ahu, the Kapolei Chamber of Commerce recognizes the critical role the film industry plays in diversifying our economy and creating job opportunities. We appreciate the establishment of the commission and its responsibilities, particularly its inclusion of regional film industry leaders. Additionally, we acknowledge the need for adequate funding and staffing to support this initiative effectively. We simply urge the Legislature to ensure that all stakeholders have a seat at the table on this Authority.

This measure aligns with ongoing efforts to enhance Hawai'i's creative industries and expand economic opportunities—particularly in West O'ahu, where there is significant potential for growth in media and film production.

Thank you for your consideration of this measure and the requested amendment.

Respectfully,

Kiran Polk Executive Director & CEO

Submitted on: 3/25/2025 1:07:16 PM

Testimony for FIN on 3/28/2025 3:30:00 PM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Michael EKM Olderr	Individual	Support	Written Testimony Only

# Comments:

I support this bill because it will help bring more film and production jobs to the state, promoting more work for filmmakers here in Hawaii. Hawaii could be one of the biggest competitors in the film industry, with cities like Los Angeles and New York no longer being the monolithic film hubs they once were. Please support this bill and our local filmmakers.

<u>SB-1641-HD-1</u> Submitted on: 3/25/2025 2:59:02 PM

Testimony for FIN on 3/28/2025 3:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Brenden Tanoai	Individual	Oppose	Written Testimony Only

# Comments:

I oppose SB1641 because I believe it will do more harm then good for the future of the movie industry in Hawaii.

Submitted on: 3/26/2025 10:32:35 AM Testimony for FIN on 3/28/2025 3:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Kristin Sifton	Individual	Comments	Written Testimony Only

## Comments:

Let's be real: The purpose of a film incentive is to create long-term, high-paying jobs, build industry infrastructure, and turn Hawai'i into a top-tier film hub. Today's decision? It doesn't get us there. The Good: • Two Union Representatives on the Board. This is a win. Unions are critical to workforce development, fair wages, and industry sustainability. Having two seats dedicated to labor ensures that the people actually working in film have a voice at the table. The Bad: • The Head of DBEDT Is in Charge. DBEDT has been one of the biggest obstacles to growing the film industry in Hawai'i. They've failed to streamline production logistics, attract large-scale investment, or build long-term infrastructure. Now, they're in charge of the Film Authority? That's like putting the slowest runner in charge of the relay team. • A Board Full of Political Appointees. While some board members bring important perspectives, the majority lack the deep industry knowledge needed to drive growth. Where are the studio executives, production financiers, and high-level strategists who understand how to make Hawai'i competitive with Georgia, New Mexico, and Canada? Instead of an industry-driven board, we've got another bureaucratic committee that will likely maintain the status quo. • No Clear Strategy for Long-Term Growth. Other states and countries are expanding soundstage infrastructure, launching aggressive incentive programs, and building permanent workforce pipelines. Hawai'i? We're still rearranging leadership without fixing the fundamental issues. The Reality Check: • This Film Authority won't attract long-term productions. • It won't create enough sustainable jobs. • It won't build the infrastructure we desperately need. Instead, it will keep us trapped in short-term thinking, political roadblocks, and missed opportunities while other film hubs continue to dominate the industry. What We Should Have Done Instead: 

Independent Industry Leadership: The Film Authority should be led by film executives, not bureaucrats. ✓ A Board That Represents the Future: We need studio decision-makers, production financiers, and technology innovators who can shape Hawai'i's next decade in film. ✓ A Clear Roadmap: The film incentive should be structured to attract billion-dollar investments, train and retain local talent, and build permanent infrastructure.

Submitted on: 3/26/2025 12:33:54 PM Testimony for FIN on 3/28/2025 3:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Master Jedi Shelby "Pikachu" Billionaire	Ohana Unity Party & Kingdom Of The Hawaiian Islands	Support	Remotely Via Zoom

Comments:

Subject: Strong Support for S.B. No. 1641 – A Game-Changer for Hawaii's Film Industry with Accountability Enhancements

Aloha Esteemed Lawmakers of the Thirty-Third Legislature,

I write as an independent film producer to voice my enthusiastic support for Senate Bill No. 1641, a transformative measure establishing the Hawaii Film Authority (HFA) within the Department of Business, Economic Development, and Tourism (DBEDT). This bill promises to elevate Hawaii's film industry—valued at \$400 million in 2023 (DBEDT Creative Industries, 2024)—by fostering jobs, cultural storytelling, and global competitiveness. With targeted amendments to ensure accountability and a financial statement for transparency, I urge you to pass S.B. No. 1641, making it a beacon for independent producers like me while safeguarding public funds.

# Why This Bill Matters

Hawaii's film industry is a sleeping giant, supporting 3,500 jobs (DBEDT, 2024) yet constrained by a small local workforce—1,200 unionized workers (SAG-AFTRA Hawaii, 2023)—and limited infrastructure. Indie producers, like myself, struggle with high costs (e.g., \$5,000-\$10,000/day for soundstages, Hawaii Film Office, 2024) and marginal funding—only 15% of the \$400M spend in 2023 went to local projects (DBEDT). S.B. No. 1641's HFA, Film Industry Development Special Fund, and focus on workforce training and cultural productions (Sections 201-B, 201-C) could unlock \$1M-\$2M in annual grants (projected, based on S.B. 763 scale), cutting my costs by 20-40% and amplifying Hawaiian stories. The Hawaii International Film Festival (2024) notes 80% of local projects are self-financed—state co-production (Section 201-B(b)(3)) could change that narrative.

Strengthening Accountability

While the bill's vision is bold, whispers of fund diversion—echoing the \$850,000 unspent from Act 193 (Civil Beat, May 21, 2023)—raise valid concerns. To ensure indie producers and taxpayers reap the benefits, I propose three amendments:

- 1. Mandate Indie Funding: Amend Section 201-G(b) to allocate 30% of the Film Fund to projects under \$500,000, securing \$1.5M annually if funded at \$5M. This mirrors California's indie incentives (CA Film Commission, 2023) and counters the 85% tax credit skew to Hollywood (Civil Beat, 2023).
- 2. Transparency Clause: Enhance Section 201-D to require quarterly fund expenditure reports—beyond annual—detailing indie vs. studio allocations, posted publicly. This builds on HCR25 (2024) calls for oversight.
- 3. Audit Oversight: Add a provision for biennial audits of the Film Fund by the State Auditor, preventing diversion to non-film DBEDT priorities (e.g., tourism's \$100M budget, DBEDT, 2024).

# Financial Statement: A Clear Picture

To underscore my commitment to transparency, here's a simplified financial snapshot of the bill's potential impact, based on reasonable projections:

- Revenue Sources (Annual Estimate):
  - o Legislative Appropriation: \$5M (proposed, aligned with S.B. 763 precedent)
  - Tax Credit Fees (HRS 235-17): \$2M (DBEDT, 2023, \$400M spend at 0.5% fee rate)
  - o Facility Revenues: \$500,000 (Hawaii Film Studio estimate, 2024)
  - o Grants/Donations: \$500,000 (historical DBEDT Creative Industries avg.)
  - o Total Revenue: \$8M
- Expenditures (Annual Estimate):
  - o Workforce Training: \$2M (200 trainees at \$10,000 each, UH Film Program cost)
  - o Indie Grants (30%): \$2.4M (24 projects at \$100,000 avg.)
  - o Infrastructure (e.g., studio upgrades): \$2M (Hawaii Film Office maintenance est.)
  - o Marketing: \$1M (DBEDT promotional scale)
  - o Staffing (3 FTEs): \$300,000 (\$100,000/FTE, exempt status)
  - o Total Expenditure: \$7.7M
- Net Balance: \$300,000 (carryover to next year, per Section 201-G(d))

This statement assumes a \$5M appropriation (Section 5), scalable to legislative will, and prioritizes indie support without neglecting broader goals. Quarterly reports and audits would verify these flows, dispelling diversion fears.

# A Win for Indies and Hawaii

With these amendments, S.B. No. 1641 becomes a lifeline for independents—offering training for my crew, grants for my next film, and studios I can afford—while boosting Hawaii's 3,500 film jobs and \$400M economy. Without them, the bill risks echoing past failures, funneling

funds to Hollywood's \$300M footprint (DBEDT, 2023) or DBEDT's wider net. Imagine the headline: "Hawaii Empowers Indie Filmmakers with a Transparent \$8M Boost!"

I urge you to pass S.B. No. 1641 with these accountability measures and a \$5M appropriation for 2025-2026, renewable for 2026-2027. Adjust the effective date to July 1, 2025, to expedite impact. This is our chance to tell Hawaiian stories, grow our industry, and ensure every dollar delivers—let's make it real!

Mahalo nui loa for your leadership,

With Profound Aloha and Resolute Commitment,

Master Shelby "Pikachu" Billionaire, HRM

Ohana Unity Party, Chairman

www.Ohanaunityparty.com

Kingdom of The Hawaiian Islands, H.I.

Submitted on: 3/26/2025 6:29:36 PM

Testimony for FIN on 3/28/2025 3:30:00 PM

Submitted By	Organization	<b>Testifier Position</b>	Testify
Eric Uyeda	Individual	Oppose	Written Testimony Only

## Comments:

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

I am submitting this testimony in strong opposition to SB1641, which proposes the creation of a Film Authority under the Department of Business, Economic Development, and Tourism (DBEDT).

A Film Authority Without Vision Is Just More Bureaucracy

The proposed Film Authority is not progress—it's a repackaging of the same slow, ineffective bureaucracy that has hindered the growth of Hawai'i's film industry for nearly 50 years.

Instead of focusing on infrastructure, workforce development, and positioning Hawai'i as a major film hub, we've settled for being a picturesque backdrop—while other states and countries have surged ahead.

The board being assembled under this bill? It's composed of the same people who've failed to lead real industry growth, handpicked to protect the same interests. Two union seats are included, but even those must be "approved." This is not independent industry leadership—this is more of the same.

If this Film Authority is formed, maybe in a year they'll deliver a five-year plan—long after the industry has already collapsed under the weight of inaction and red tape. Based on DBEDT and CID's history, that plan will be weak, vague, and disconnected from the actual needs of filmmakers, studios, and crew.

We Already Lost the Industry Once. We're About to Do It Again.

Last year, Hawai'i's film industry came to a halt—not because of strikes or market conditions—but because of a misinterpreted tax ruling and the PEO payroll mandate.

While the industry stalled, DBEDT and CID did nothing. Now they point fingers at "market forces," when in truth, they created the very conditions that caused the slowdown.

Today, Rescue HI Surf is the only network show still filming here. If it leaves—and it might—you'll know exactly where the blame lies: DBEDT, CID, and the Tax Office.

What We Need Instead: A True, Independent Film Commission

Let DBEDT continue to promote culture, tourism, and education.

But give the film industry back to the people who know how to build it.

The film industry needs an independent commission, led by people with real experience—producers, studio executives, union leaders, and entrepreneurs who understand how to create jobs, attract investment, and grow a sustainable creative economy.

This new Commission must be empowered to:

- Attract and retain major productions
- Build permanent infrastructure
- Deliver quarterly tax credit payments
- End harmful, outdated policies like the PEO mandate
- Grow a strong local union workforce

If You Support SB1641, Then Demand Accountability

If this bill moves forward, it must come with real checks and balances.

DBEDT and the Film Authority must be required to:

- Publish quarterly public reports on tax credit allocation
- Track local hiring, union participation, and infrastructure investment
- Report measurable results, not just promote cultural showcase films
- Submit to third-party audits, just as productions are expected to do
- And most importantly, be held accountable for failure

If they misuse public funds, delay incentives, or drive productions away, there must be consequences. No more bureaucracy shielding itself. The people of Hawai'i deserve better.

Don't Let the Future Die in a Committee Meeting

We don't have time to wait for another agency that moves at the speed of memos.

We need action now.

We need leadership with vision.
We need to put the future of Hawai'i's film industry in the hands of people who can actually build it.
I respectfully urge you to vote NO on SB1641.
The future of Hawai'i's creative economy depends on it.
Mahalo for the opportunity to testify,
Eric Uyeda
Would you like this turned into a PDF or Word document for submission to the Legislature?

## **COMMENTS FOR SB1641**

Thank you all for the opportunity to testify about SB1641. We are an informal collective of Assistant Directors who are members of the Directors Guild of America. The DGA is an international guild, but we are all local Hawaii residents. The DGA counts among it's members such Academy Award winners as Steven Spielberg, George Clooney, and Kathryn Bigelow, who have all filmed here on the Hawaiian Islands. We support a Hawaiian-focused Authority helping to bring TV/Film productions to the Islands. We support a Film Authority that is focused on local workforce development.

As Assistant Directors, we are essentially the on-set managers for TV and Film sets. As such, we are in a unique position to have insight into what is needed by productions logistically and financially from a Hawaiian Film Authority. We can provide pertinent and useful information when approaching prospective film studios and producers about what the Islands can provide for their projects. Thusly, we respectfully request an amendment with language to the effect that a board seat would be opened for nomination of a member of our Guild that would be appointed by the Governor from a list of candidates we provide, OR that the language of Section 201E-Section 9 be changed to include: "Two members representing labor unions or Screen Actors Guild-AFTRA members, or **Directors Guild of America (DGA) members,** that represent members from the film industry, who shall serve a term of two years, appointed by the governor pursuant to section 26-34 from a list of nominees; provided that each labor union, *or Screen Actors Guild-AFTRA*, *or DGA*, in the State that represents members of the film industry shall submit one individual for the list of nominees;". While we are in favor of creating a robust, streamlined board who's intent is to bring productions here to the Islands, our concerns are that a board made up of a majority of individuals who are not involved in the day-today workings of the TV/Film industry would be detrimental to it's own intentions. As Assistant Directors, we hire and train THE entry-level position on TV/Film sets: Production Assistants. As such, we are already familiar with developing a local workforce to be hired onto these productions.

We look forward to working with this board to help bring productions back to the Hawaiian Islands.

Keith C.A. Jones Member of DGA for over 15 years

Submitted on: 3/27/2025 1:11:15 PM

Testimony for FIN on 3/28/2025 3:30:00 PM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Daniel Hamilton-Lowe	Individual	Support	In Person

## Comments:

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We look forward to working with this board to help bring productions back to the Hawaiian Islands.

Daniel Hamilton-Lowe, DGA member for over 20 years

Unit Production Manager for Doogie Kamealoha, Red One, Monarch,

Assistant Director for Lilo and Stich,

Production Supervisor for Moana

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We look forward to working with this board to help bring productions back to the Hawaiian Islands.

Mahalo,

Leah Myerson

Submitted on: 3/27/2025 3:19:57 PM

Testimony for FIN on 3/28/2025 3:30:00 PM

<b>Submitted By</b>	Organization	<b>Testifier Position</b>	Testify
Wainani Young Tomich	Individual	Support	Written Testimony Only

## Comments:

# **Testimony on SB1641**

Thank you for the opportunity to testify on SB1641. We are an informal collective of Assistant Directors and members of the Directors Guild of America (DGA). While the DGA is an international guild, we are all local Hawaii residents. The DGA counts among its members esteemed filmmakers such as Steven Spielberg, George Clooney, and Kathryn Bigelow, all of whom have chosen to film in the Hawaiian Islands.

We strongly support the establishment of a Hawaii-focused Film Authority dedicated to attracting TV and film productions to the Islands and fostering local workforce development.

As Assistant Directors, we serve as the on-set managers of film and television productions. This role gives us a unique perspective on both the logistical and financial needs of productions filming in Hawaii. Our experience and expertise could provide valuable insight when engaging with prospective studios and producers about the benefits of filming in the Islands.

For this reason, we respectfully request an amendment to the bill that would ensure representation from our Guild within the Film Authority. Specifically, we propose that a board seat be designated for a DGA member, appointed by the Governor from a list of candidates we provide. Alternatively, we request that Section 201E-9 be revised to include the following language:

"Two members representing labor unions or Screen Actors Guild-AFTRA members, or Directors Guild of America (DGA) members, that represent members from the film industry, who shall serve a term of two years, appointed by the governor pursuant to section 26-34 from a list of nominees; provided that each labor union, or Screen Actors Guild-AFTRA, or DGA, in the State that represents members of the film industry shall submit one individual for the list of nominees."

While we support the creation of a streamlined and effective Film Authority, we are concerned that a board composed primarily of individuals without direct experience in the day-to-day operations of the film and television industry may struggle to fulfill its mission.

Furthermore, as Assistant Directors, we are directly involved in workforce development, as we hire and train production assistants—the entry-level position on film and television sets. Our role in cultivating local talent aligns with the Authority's goal of expanding Hawaii's film workforce, making our representation on the board particularly relevant.

We look forward to working with the Film Authority to bring more productions back to the Hawaiian Islands and to ensure that local industry professionals are an integral part of this process.

Mahalo

Wainani Young Tomich

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