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# A BILL FOR AN ACT

RELATING TO THE STATE OF HAWAII FILM COMMISSION.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	SECTION 1. Chapter 201, Hawaii Revised Statutes, is
2	amended by adding seven new sections to part IX to be
3	appropriately designated and to read as follows:
4	" <u>§201-A</u> Hawaii film authority; established; purpose. (a)
5	There is established a Hawaii film authority within the
6	department for administrative purposes only.
7	(b) The purpose of the authority shall be to promote and
8	develop the film industries in the State, with a focus on
9	creating jobs, fostering economic development, supporting local
10	cultural productions, and enhancing the State's global
11	competitiveness in the film industries.
12	<b>§201-B</b> Hawaii film authority; powers; duties. (a) The
13	authority shall:
14	(1) Develop and promote infrastructure to support film
15	production;
16	(2) Invest in and manage film studios and production
17	facilities;

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1	(3)	Collaborate with educational institutions to develop
2		workforce training programs;
3	(4)	Partner with local and international film companies to
4		increase production opportunities; and
5	(5)	Serve as an assistant producer and invest in local
6		film productions to generate revenues for the State.
7	(b)	The authority may:
8	(1)	Enter into partnerships to develop film production
9		facilities;
10	(2)	Invest in film projects and receive returns from the
11		investments; and
12	(3)	Serve as a co-producer or assistant producer in film
13		projects that promote local culture and industry
14		growth.
15	<u>(</u> C)	The authority may adopt rules pursuant to chapter 91
16	to effect	uate the purposes of this part except in relation to
17	section 2	01-115.
18	<u>§201</u>	-C Development and support of cultural productions.
19	The autho	rity shall prioritize the development and support of
20	facilitie	s that expand local and cultural film productions. The

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1	authority	may partner with cultural organizations and provide
2	grants to	promote indigenous storytelling.
3	<u>§201</u>	-D Hawaii film authority; annual report. The
4	authority	shall submit a report of its findings and
5	recommend	ations, including any proposed legislation, to the
6	legislatu	re no later than twenty days prior to the convening of
7	each regu	lar session, detailing:
8	(1)	Progress on strategic objectives;
9	(2)	Workforce initiatives, including the development and
10		implementation of the five-year strategic plan
11		required pursuant to section 201-E(b)(1);
12	(3)	Tax incentive impacts; and
13	(4)	Revenue generated by film production.
14	<u>§201</u>	-E Hawaii film authority board; established;
15	responsib	ilities; composition. (a) There is established within
16	the autho	rity the Hawaii film authority board.
17	(b)	The board shall:
18	(1)	Develop a five-year film strategic plan integrating
19		workforce development business incentives and
20		infrastructure expansion;

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1	(2)	Provide policy recommendations on improving tax
2		incentives and diversifying the State's film
3		production industry;
4	(3)	Establish partnerships with local and global film
5		industries;
6	(4)	Serve as the coordinating agency among state, county,
7		and private entities to streamline the film permitting
8		and production processes; and
9	(5)	Foster indigenous storytelling initiatives in
10		collaboration with the State's creative communities.
11	(C)	The board shall consist of the following members,
12	subject t	o section 78-4 as applicable:
13	(1)	The director of business, economic development, and
14		tourism, or the director's designee, who shall serve
15		<u>as:</u>
16		(A) Chairperson of the board; and
17		(B) An ex officio, voting member;
18	(2)	The chief executive officer of the office of Hawaiian
19		affairs, or the chief executive officer's designee,
20		who shall serve as an ex officio, voting member;

1		provided that the designee shall have expertise in
2		Hawaiian culture;
3	(3)	The chairperson of the board of land and natural
4		resources, or the chairperson's designee, who shall
5		serve as an ex officio, nonvoting member; provided
6		that the designee shall have expertise in permitting;
7	(4)	One member from the department of education, nominated
8		by the superintendent of education to promote the
9		interests of the film industry's workforce and
10		appointed by the governor pursuant to section 26-34;
11	(5)	One member from the university of Hawaii, nominated by
12		the president of the university of Hawaii to promote
13		the interests of the film industry's workforce and
14		appointed by the governor pursuant to section 26-34;
15	(6)	One member from a county film office, who shall serve
16		a term of two years in the following order by county:
17		(A) Hawaii;
18		(B) Maui;
19		(C) Oahu; and
20		(D) Kauai;
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1	(7)	One member nominated by the president of the senate
2		and appointed by the governor pursuant to section 26-
3		34, who shall serve as a nonvoting member;
4	(8)	One member nominated by the speaker of the house of
5		representatives and appointed by the governor pursuant
6		to section 26-34, who shall serve as a nonvoting
7		member;
8	(9)	Two members representing labor unions that represent
9		members from the film industry, who shall serve a term
10		of two years, appointed by the governor pursuant to
11		section 26-34 from a list of nominees; provided that
12		each labor union in the State that represents members
13		of the film industry shall submit one individual for
14		the list of nominees; and
15	(10)	Two members from the film production industry
16		appointed by the governor pursuant to section 26-34
17		from a list of nominees; provided that the Motion
18		Picture Association, the Hawaii International Film
19		Festival, and each Hawaii-based non-profit film
20		organization shall each submit one individual for the
21		list of nominees;

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rovided	that no individual appointed as a member pursuant to
aragraph	s (6) to (10) shall serve consecutive terms as a member
f the bo	ard.
(d)	The chairperson shall select a vice chairperson from
mong the	members. The chairperson may select other leadership
ositions	from among the members as the chairperson deems
ecessary	, including but not limited to treasurer and secretary.
<u>§201</u>	-F Hawaii film authority; executive director; duties.
a) The	board shall appoint an executive director, who shall be
xempt fr	om chapter 76, to oversee daily operations of the
uthority	and report to the board.
(b)	The executive director may hire other administrative
ersonnel	necessary to assist in the performance of the
uthority	's duties.
(C)	The executive director shall:
(1)	Develop and implement the strategic plan pursuant to
	section 201-E(b)(1); and
(2)	Prepare an annual budget and allocate resources to
	achieve strategic objectives, including coordinating
	marketing and promotional activities to position the
	State as a premier filming destination.
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1	<u>§201</u>	-G Film industry development special fund. (a) There
2	<u>is establ</u>	ished in the state treasury the film industry
3	developme	nt special fund into which shall be deposited:
4	(1)	Appropriations by the legislature;
5	(2)	Donations and contributions made by private
6		individuals or organizations for deposit into the film
7		fund;
8	(3)	Grants provided by governmental agencies or any other
9		source;
10	(4)	All revenues, fees, and charges from the processing of
11		the motion picture, digital media, and film production
12		income tax credit pursuant to section 235-17; and
13	(5)	All revenues, fees, and income received by the
14		department from its management of public facilities
15		that support film production and workforce
16		development, excluding the Hawaii film studio.
17	(b)	The film fund shall be used by the department for:
18	(1)	Film production incentives and development, including
19		programs providing financial support and seed capital
20		for film productions that contribute to the local
21		economy and global visibility of Hawaii;

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1	(2)	Workforce development, including initiatives that
2		expand the skills and capabilities of Hawaii's
3		resident workforce in film production, digital media,
4		and related technical fields;
5	(3)	Industry promotion and marketing, including efforts to
6		attract film production, investment, and business
7		opportunities in Hawaii; and
8	(4)	Infrastructure and facility support, including repair,
9		maintenance, and related costs for state-managed
10		public facilities that directly support film industry
11		workforce and business development."
12	SECT	ION 2. Section 201-111, Hawaii Revised Statutes, is
13	amended to	o read as follows:
14	" <b>§20</b> :	1-111 Definitions. As used in this part[+], unless
15	the conter	xt otherwise requires:
16	"Autl	nority" means the Hawaii film authority.
17	"Boar	rd" means the Hawaii film authority board.
18	"Crea	ative industries" means those sectors that comprise
19	Hawaii's c	reative economy, including [media,] arts, culture,
20	music, des	sign, fashion, publishing, animation, interactive, and

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1	emerging [media] industries; provided that "creative industries"
2	shall not include film.
3	"Creative industries fund" means the Hawaii creative
4	industries development special fund.
5	"Department" means the department of business, economic
6	development, and tourism.
7	["Fund" means the Hawaii film and creative industries
8	development special fund.
9	"Media" means film,]
10	"Film" includes motion pictures, television, interactive,
11	over-the-top television productions, virtual reality, augmented
12	reality and other forms of emerging media, multi-player
13	videogame publishing, and other digitally-developed content for
14	theatrical or digital distribution via streaming, mobile, and
15	broadcast media.
16	"Film fund" means the film industry development special
17	fund."
18	SECTION 3. Section 201-113, Hawaii Revised Statutes, is
19	amended to read as follows:
20	"§201-113 Hawaii [ <del>film and</del> ] creative industries
21	development special fund. (a) There is established in the

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1	state tre	asury the Hawaii [ <del>film and</del> ] creative industries
2	developme	nt special fund into which shall be deposited:
3	(1)	Appropriations by the legislature;
4	(2)	Donations and contributions made by private
5		individuals or organizations for deposit into the
6		creative industries fund;
7	(3)	Grants provided by governmental agencies or any other
8		source; and
9	[ <del>(4)</del>	Effective January 2, 2023, all revenues, fees, and
10		charges from the processing of the motion picture,
11		digital media, and film production income tax credit
12		pursuant to section 235-17; and
13	<del>.(5)</del> -]	(4) Effective July 1, 2022, all existing and future
14		revenues, fees, and income received by the department
15		from its management of public facilities that support
16		[media and entertainment workforce and business
17		development, with the exception of the Hawaii film
18		studio.] creative industries.
19	(b)	The creative industries fund shall be used by the
20	department	t to provide for:

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1	(1)	A program to provide seed capital for [ <del>film, media,</del>
2		electronic sports, and] creative industries
3		intellectual property development projects for export,
4		as determined by the department;
5	(2)	Programs that expand the skills of the State's resident
6		workforce in the [film, media, and] creative
7		industries;
8	(3)	Marketing programs that attract business opportunities
9		in the [film, media, and] creative industries in the
10		State; [and]
11	(4)	Repair, maintenance, and related costs of the
12		department's management of public facilities that
13		support [media and entertainment] the creative
14		industries workforce and business development $[-]$ ; and
15	(5)	The support and development of facilities and other
16		initiatives to grow the State's creative industries."
17	SECT	ION 4. Section 235-17, Hawaii Revised Statutes, is
18	amended b	y substituting the term "film industry development
19	special f	und", or similar term, wherever the term "Hawaii film
20	and creat	ive industries development special fund", or similar
21	term, app	ears, as the context requires.

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## **S.B. NO.** <sup>1641</sup> <sup>S.D. 2</sup> <sup>H.D. 1</sup>

1	SECTION 5. There is appropriated out of the general
2	revenues of the State of Hawaii the sum of \$ or so
3	much thereof as may be necessary for fiscal year 2025-2026 for
4	deposit into the film industry development special fund.
5	SECTION 6. There is appropriated out of the film industry
6	development special fund the sum of \$ or so much
7	thereof as may be necessary for fiscal year 2025-2026 and the
8	same sum or so much thereof as may be necessary for fiscal year
9	2026-2027 for the establishment and operation of the Hawaii film
10	authority, including the establishment of:
11	(1) One full-time equivalent (1.0 FTE) executive director
12	of the Hawaii film authority position, who shall be
13	exempt from chapter 76, Hawaii Revised Statutes; and
14	(2) Two full-time equivalent (2.0 FTE) administrative
15	positions to support the Hawaii film authority, who
16	shall be exempt from chapter 76, Hawaii Revised
17	Statutes.
18	The sums appropriated shall be expended by the department
19	of business, economic development, and tourism for the purposes
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20 of this Act.

#### **S.B. NO.** <sup>1641</sup> <sup>S.D. 2</sup> <sup>H.D. 1</sup>

SECTION 7. All rights, powers, functions, and duties of
 the Hawaii film office are transferred to the Hawaii film
 authority.

4 All employees who occupy civil service positions and whose 5 functions are transferred to the Hawaii film authority by this 6 Act shall retain their civil service status, whether permanent 7 or temporary. Employees shall be transferred without loss of 8 salary, seniority (except as prescribed by applicable collective 9 bargaining agreements), retention points, prior service credit, 10 any vacation and sick leave credits previously earned, and other 11 rights, benefits, and privileges, in accordance with state 12 personnel laws and this Act; provided that the employees possess 13 the minimum qualifications and public employment requirements 14 for the class or position to which transferred or appointed, as 15 applicable; provided further that subsequent changes in status 16 may be made pursuant to applicable civil service and 17 compensation laws.

18 Any employee who, prior to this Act, is exempt from civil 19 service and is transferred as a consequence of this Act may 20 retain the employee's exempt status, but shall not be appointed 21 to a civil service position as a consequence of this Act. An

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1 exempt employee who is transferred by this Act shall not suffer 2 any loss of prior service credit, vacation or sick leave credits 3 previously earned, or other employee benefits or privileges as a 4 consequence of this Act; provided that the employees possess 5 legal and public employment requirements for the position to 6 which transferred or appointed, as applicable; provided further 7 that subsequent changes in status may be made pursuant to 8 applicable employment and compensation laws. The director of 9 business, economic development, and tourism may prescribe the 10 duties and qualifications of these employees and fix their 11 salaries without regard to chapter 76, Hawaii Revised Statutes. 12 SECTION 8. All appropriations, records, equipment, 13 machines, files, supplies, contracts, books, papers, documents,

14 maps, and other personal property heretofore made, used, 15 acquired, or held by the Hawaii film office relating to the 16 functions transferred to the Hawaii film authority shall be 17 transferred with the functions to which they relate.

18 SECTION 9. In codifying the new sections added by section 19 1 of this Act, the revisor of statutes shall substitute 20 appropriate section numbers for the letters used in designating 21 the new sections in this Act.

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- SECTION 10. Statutory material to be repealed is bracketed
  and stricken. New statutory material is underscored.
- 3 SECTION 11. This Act shall take effect on July 1, 3000.





#### Report Title:

DBEDT; Hawaii Film Authority; Hawaii Film Authority Board; Hawaii Film and Creative Industries Development Special Fund; Workforce Development; Film; Media; Reports; Positions; Appropriations

#### Description:

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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. Requires annual reports to the Legislature. Appropriates funds. Effective 7/1/3000. (HD1)

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