
A BILL FOR AN ACT

RELATING TO THE FILM INDUSTRY.

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

1 SECTION 1. The legislature finds that Hawaii's film,
2 television, and digital media industries are operating in an
3 increasingly competitive global environment, in which
4 jurisdictions compete not only on tax incentives, but on
5 infrastructure, workforce readiness, technological capacity, and
6 speed of execution. Competing states and international
7 jurisdictions are modernizing their film offices into integrated
8 film commissions or media authorities with centralized authority
9 to administer incentives, grants, studio facilities, and
10 public-private partnerships. The legislature further finds that
11 Hawaii currently does not have a state film commission in
12 statute. Rather, the film industry branch within the creative
13 industries division of the department of business, economic
14 development, and tourism is currently doing business as the
15 "Hawaii film office" and the film industry development manager
16 of the branch is serving as the "Hawaii state film commissioner"



1 for purposes of membership in third-party organizations,
2 including the Association of Film Commissioners International.

3 The legislature also finds that advances in artificial
4 intelligence, virtual production, digital post-production, and
5 content creation technologies are fundamentally reshaping how
6 content is produced, distributed, and monetized. To remain
7 competitive, Hawaii must simultaneously retain its ability to
8 attract major domestic and international productions; invest in
9 next-generation infrastructure, facilities, and equipment;
10 support workforce development and training for future content
11 creators, including K-12 students and noninstitutional content
12 creators; and maintain accountability, transparency, and fiscal
13 discipline in administering public incentives.

14 Accordingly, the purpose of this Act is to restructure and
15 modernize the State's film and creative industries governance
16 by:

- 17 (1) Establishing a Hawaii film commission and transferring
18 the rights, powers, functions, and duties of the
19 Hawaii film office to the commission;
- 20 (2) Establishing the film industry development special
21 fund and requiring all revenues, fees, and charges



1 from processing the film tax credit to be deposited
2 into this fund;

3 (3) Excluding media and film from the definition of
4 "creative industries" and renaming the Hawaii film and
5 creative industries development special fund as the
6 Hawaii creative industries development special fund;
7 and

8 (4) Amending the sources of moneys to be deposited into
9 the Hawaii creative industries development special
10 fund and authorizing the fund to be used for the
11 support and development of facilities and other
12 initiatives to grow the State's creative industries.

13 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
14 amended by adding a new part to be appropriately designated and
15 to read as follows:

16 **"PART . HAWAII FILM COMMISSION**

17 **§201-A Definitions.** As used in this part:

18 "Commission" means the Hawaii film commission.

19 "Department" means the department of business, economic
20 development, and tourism.



1 "Director" means the director of business, economic
2 development, and tourism.

3 "Film" includes motion pictures, television, interactive,
4 over-the-top television productions, virtual reality, augmented
5 reality and other forms of emerging media, multi-player
6 videogame publishing, and other digitally-developed content for
7 theatrical or digital distribution via streaming, mobile, and
8 broadcast media.

9 "Film fund" means the film industry development special
10 fund.

11 **§201-B Hawaii film commission; established.** (a) There is
12 established a Hawaii film commission within the department for
13 administrative purposes only.

14 (b) The commission shall have exclusive responsibility for
15 film and television production activities in the State,
16 including incentive administration, studio facilities, and
17 film-specific workforce initiatives.

18 (c) The commission shall consist of twelve members as
19 follows:

20 (1) Two ex officio, voting members, consisting of:



- 1 (A) The director or the director's designee, who
- 2 shall serve as chairperson of the commission; and
- 3 (B) The chairperson of the board of land and natural
- 4 resources, or the chairperson's designee; and
- 5 (2) Ten voting members, to be appointed and removed by the
- 6 governor and serve on the commission in accordance
- 7 with section 26-34, consisting of:
- 8 (A) One member from the Hawaii island film office;
- 9 (B) One member from the Honolulu film office;
- 10 (C) One member from the Kauai film commission;
- 11 (D) One member from the Maui film office;
- 12 (E) One member with expertise in indigenous and
- 13 cultural storytelling;
- 14 (F) One member with extensive global film production
- 15 experience;
- 16 (G) One member with expertise in studio development
- 17 and infrastructure;
- 18 (H) One member who is a Hawaii-based producer with
- 19 significant production credits; and
- 20 (I) Two members representing the labor workforce in
- 21 the film industries;



1 provided that no appointed member shall serve
2 consecutive four-year terms.

3 (d) The chairperson shall select a vice-chairperson from
4 among the members. The chairperson may select other leadership
5 positions from among the members as the chairperson deems
6 necessary, including but not limited to treasurer and secretary.

7 **§201-C Executive director; staff.** (a) The director shall
8 appoint an executive director to oversee daily operations of the
9 commission, who shall be exempt from chapter 76.
10 Notwithstanding section 76-16(b)(17), this exemption from shall
11 not expire.

12 (b) The executive director may hire professional,
13 technical, and administrative staff as necessary to carry out
14 the purposes of this part, subject to legislative appropriation,
15 and who shall all be exempt from chapter 76. Notwithstanding
16 section 76-16(b)(17), these exemptions shall not expire.

17 (c) The executive director and the commission's full-time
18 staff shall be entitled to participate in all state employee
19 benefit plans.



1 **§201-D State film industry development liaison;**

2 **establishment.** (a) There is established within the commission
3 a state film industry development liaison to:

4 (1) Plan, develop, and execute a statewide film industry
5 development strategy to include all counties in the
6 State for the purposes of establishing a collaborative
7 film industry development program; and

8 (2) Support the commission in statewide industry
9 coordination, workforce strategy development, and
10 development of emerging film technology initiatives.

11 (b) The state film industry development liaison shall be
12 appointed by the executive director and shall be exempt from
13 chapter 76. Notwithstanding section 76-16(b)(17), this
14 exemption shall not expire.

15 **§201-E Hawaii film commission; powers; duties.** The
16 commission shall:

17 (1) Administer the motion picture, digital media, and film
18 production income tax credit pursuant to section
19 235-17, including application intake, review,
20 registration, certification, compliance monitoring,
21 and reporting;



- 1 (2) Review and determine whether to waive or modify the
- 2 maximum total motion picture, digital media, and film
- 3 production income tax credit per qualified production
- 4 pursuant to criteria and procedures adopted by the
- 5 commission by rule or formal action;
- 6 (3) Administer grant programs funded by the film fund,
- 7 including:
- 8 (A) Development grants;
- 9 (B) Workforce and training grants; and
- 10 (C) Innovation, post-production, and creative
- 11 technology grants;
- 12 (4) Enter into public-private partnership agreements,
- 13 including leases, licenses, and management agreements
- 14 pursuant to chapter 103D, as applicable, for:
- 15 (A) Film studios owned by the State;
- 16 (B) Sound stages;
- 17 (C) Post-production facilities; and
- 18 (D) Virtual production and creative technology
- 19 infrastructure;



- 1 (5) Coordinate statewide film and media permitting,
 - 2 marketing, and industry engagement in collaboration
 - 3 with state and county agencies; and
 - 4 (6) Support workforce development and training for future
 - 5 content creators, including through:
 - 6 (A) K-12 education pathways;
 - 7 (B) Postsecondary and credential-based training
 - 8 programs;
 - 9 (C) Programs and resources for independent and
 - 10 noninstitutional content creators; and
 - 11 (D) Programs and resources for upskilling in
 - 12 artificial intelligence, virtual production, and
 - 13 digital workflows.
- 14 **§201-F Film industry development special fund.** (a) There
- 15 is established in the state treasury the film industry
- 16 development special fund into which shall be deposited:
- 17 (1) Appropriations by the legislature;
 - 18 (2) Donations and contributions made by private
 - 19 individuals or organizations for deposit into the film
 - 20 fund;



- 1 (3) Grants provided by governmental agencies or any other
2 source;
- 3 (4) All revenues, fees, and charges from the processing of
4 the motion picture, digital media, and film production
5 income tax credit pursuant to section 235-17;
- 6 (5) All revenues, fees, and income received by the
7 department from its management of public facilities
8 that support film production and workforce and
9 business development in the film industry, excluding
10 the Hawaii film studio; and
- 11 (6) All interest earned on or accrued to moneys deposited
12 in the film fund.
- 13 (b) The film fund shall be used by the department for:
- 14 (1) Film production incentives and development, including
15 programs providing financial assistance and seed
16 capital to film productions that contribute to the
17 local economy and enhance the global visibility of
18 Hawaii;
- 19 (2) Workforce development, including initiatives that
20 expand the skills and capabilities of the State's



1 resident workforce in film production, digital media,
2 and related technical fields;

3 (3) Industry promotion and marketing, including efforts to
4 attract film production, investment, and business
5 opportunities to Hawaii; and

6 (4) Infrastructure and facility support, including repair,
7 maintenance, and related costs of state-managed public
8 facilities that directly support film industry
9 workforce and business development.

10 **§201-G Annual report.** The commission shall submit a
11 report of its findings and recommendations, including any
12 proposed legislation, to the legislature and governor no later
13 than twenty days prior to the convening of each regular session.
14 Each report shall include:

15 (1) All incentives awarded by commission, including the
16 motion picture, digital media, and film production
17 income tax credits pursuant to section 235-17;

18 (2) All waivers of and modifications to the maximum total
19 motion picture, digital media, and film production
20 income tax credit per qualified production granted by
21 the commission;



- 1 (3) All grants awarded by the commission;
- 2 (4) All public-private partnership agreements executed by
- 3 the commission;
- 4 (5) Outcomes of workforce development and training
- 5 supported by the commission; and
- 6 (6) Progress towards global competitiveness of and
- 7 technological advancement in the State's film
- 8 industry.

9 **§201-H Rules.** The commission shall adopt rules pursuant
 10 to chapter 91 to effectuate the purposes of this part."

11 SECTION 3. Chapter 201, Hawaii Revised Statutes, is
 12 amended by amending the title of part IX to read as follows:

13 **"PART IX. HAWAII [~~FILM AND~~] CREATIVE INDUSTRIES DEVELOPMENT"**

14 SECTION 4. Section 201-111, Hawaii Revised Statutes, is
 15 amended as follows:

16 1. By adding a new definition to be appropriately inserted
 17 and to read:

18 "Film" has the same meaning as defined in section 201-A."

19 2. By amending the definition of "creative industries" to
 20 read:



1 ""Creative industries" means those sectors that comprise
2 Hawaii's creative economy, including [~~media,~~] arts, culture,
3 music, design, fashion, publishing, animation, interactive, and
4 emerging [~~media-~~] sectors. "Creative industries" does not
5 include film."

6 3. By amending the definition of "fund" to read:

7 ""Fund" means the Hawaii [~~film and~~] creative industries
8 development special fund."

9 4. By repealing the definition of "media".

10 ~~[""Media" means film, motion pictures, television,~~
11 ~~interactive, over-the-top television productions, virtual~~
12 ~~reality, augmented reality and other forms of emerging media,~~
13 ~~multi-player videogame publishing, and other digitally developed~~
14 ~~content for theatrical or digital distribution via streaming,~~
15 ~~mobile, and broadcast media."]~~

16 SECTION 5. Section 201-113, Hawaii Revised Statutes, is
17 amended to read as follows:

18 "**§201-113 Hawaii [~~film and~~] creative industries**
19 **development special fund.** (a) There is established in the
20 state treasury the Hawaii [~~film and~~] creative industries
21 development special fund into which shall be deposited:



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



- 1 intellectual property development projects for export,
2 as determined by the department;
- 3 (2) Programs that expand the skills of the State's resident
4 workforce in the [~~film, media, and~~] creative
5 industries;
- 6 (3) Marketing programs that attract business opportunities
7 in the [~~film, media, and~~] creative industries in the
8 State; [~~and~~]
- 9 (4) Repair, maintenance, and related costs of the
10 department's management of public facilities that
11 support [~~media and entertainment~~] the creative
12 industries workforce and business development[-]; and
- 13 (5) The support and development of facilities and other
14 initiatives to grow the State's creative industries."

15 SECTION 6. Section 235-17, Hawaii Revised Statutes, is
16 amended by amending subsections (k) and (l) to read as follows:

17 "(k) Each taxpayer claiming a tax credit under this
18 section shall submit to the department of business, economic
19 development, and tourism a fee for the motion picture, digital
20 media, and film production income tax credit in an amount equal
21 to 0.2 per cent of the tax credit claimed by the qualified



1 production no later than the deadline stated in subsection (c).
2 The department of business, economic development, and tourism
3 may prescribe the form and method by which this fee is remitted,
4 including through electronic means. The fees collected under
5 this subsection shall be deposited into the Hawaii film [~~and~~
6 ~~creative industries~~] industry development special fund under
7 section [~~201-113.~~] 201-F.

8 (1) Total tax credits claimed per qualified production
9 shall not exceed \$17,000,000[~~7~~]; provided that the Hawaii film
10 commission may waive or modify this amount pursuant to section
11 201-E(2)."

12 SECTION 7. Section 201-115, Hawaii Revised Statutes, is
13 repealed.

14 [~~§201-115~~] ~~State media industry development liaison;~~
15 ~~establishment.~~ (a) ~~There is established within the creative~~
16 ~~industries division of the department a state media industry~~
17 ~~development liaison to plan, develop, and execute a statewide~~
18 ~~media industry development strategy to include all counties in~~
19 ~~the State for the purposes of establishing a collaborative media~~
20 ~~industry development program.~~



1 ~~(b) The state media industry development liaison shall be~~
2 ~~appointed by the director of business, economic development, and~~
3 ~~tourism without regard to chapter 76."]~~

4 SECTION 8. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$ or so
6 much thereof as may be necessary for fiscal year 2026-2027 for
7 the establishment and operation of the Hawaii film commission.

8 The sum appropriated shall be expended by the department of
9 business, economic development, and tourism for the purposes of
10 this Act.

11 SECTION 9. All rights, powers, functions, and duties of
12 the Hawaii film office are transferred to the Hawaii film
13 commission.

14 All officers and employees whose functions are transferred
15 by this Act shall be transferred with their functions and shall
16 continue to perform their regular duties upon their transfer,
17 subject to the state personnel laws and this Act.

18 No officer or employee of the State having tenure shall
19 suffer any loss of salary, seniority, prior service credit,
20 vacation, sick leave, or other employee benefit or privilege as
21 a consequence of this Act, and such officer or employee may be



1 transferred or appointed to a civil service position without the
2 necessity of examination; provided that the officer or employee
3 possesses the minimum qualifications for the position to which
4 transferred or appointed; and provided that subsequent changes
5 in status may be made pursuant to applicable civil service and
6 compensation laws.

7 An officer or employee of the State who does not have
8 tenure and who may be transferred or appointed to a civil
9 service position as a consequence of this Act shall become a
10 civil service employee without the loss of salary, seniority,
11 prior service credit, vacation, sick leave, or other employee
12 benefits or privileges and without the necessity of examination;
13 provided that such officer or employee possesses the minimum
14 qualifications for the position to which transferred or
15 appointed.

16 If an office or position held by an officer or employee
17 having tenure is abolished, the officer or employee shall not
18 thereby be separated from public employment, but shall remain in
19 the employment of the State with the same pay and classification
20 and shall be transferred to some other office or position for
21 which the officer or employee is eligible under the personnel



1 laws of the State as determined by the head of the department or
2 the governor.

3 SECTION 10. All appropriations, records, equipment,
4 machines, files, supplies, contracts, books, papers, documents,
5 maps, and other personal property heretofore made, used,
6 acquired, or held by the Hawaii film office relating to the
7 functions transferred to the Hawaii film commission shall be
8 transferred with the functions to which they relate.

9 SECTION 11. For the purposes of this Act, "Hawaii film
10 office" means the film industry branch within the creative
11 industries division of the department of business, economic
12 development, and tourism.

13 SECTION 12. No later than December 31, 2027:

14 (1) The governor shall appoint all members of the Hawaii
15 film commission who are not ex officio, voting members
16 pursuant to section 201-B, Hawaii Revised Statutes;

17 (2) The director of business, economic development, and
18 tourism shall appoint the executive director of the
19 Hawaii film commission pursuant to section 201-C(a),
20 Hawaii Revised Statutes; and



1 (3) The executive director of the Hawaii film commission
2 shall hire staff pursuant to section 201-C(b), Hawaii
3 Revised Statutes.

4 SECTION 13. In codifying the new sections added by
5 section 2 of this Act, the revisor of statutes shall substitute
6 appropriate section numbers for the letters used in designating
7 the new sections in this Act.

8 SECTION 14. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 15. This Act shall take effect on July 1, 3000.



Report Title:

DBEDT; Hawaii Film Commission; Motion Picture, Digital Media, and Film Production Income Tax Credit; Film Industry Development Special Fund; Establishment; Hawaii Film and Creative Industries Development Special Fund; Workforce Development; Film; Media; Reports; Appropriation

Description:

Establishes the Hawaii Film Commission within the Department of Business, Economic Development, and Tourism and transfers the rights, powers, functions, and duties of the Hawaii Film Office to the Commission. Requires appointments and hiring of staff by 12/31/2027. Establishes the Film Industry Development Special Fund. Excludes media and film from the definition of "creative industries" and renames the Hawaii Film and Creative Industries Development Special Fund as the Hawaii Creative Industries Development Special Fund. Amends the sources of moneys to be deposited into the Hawaii Creative Industries Development Special Fund. 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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