

JAN 30 2026

A BILL FOR AN ACT

RELATING TO THE DEVELOPMENT OF A NATIVE HAWAIIAN FILM AND MEDIA
INDUSTRY.

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

1 SECTION 1. (a) The legislature finds that Hawaii is among
2 the most sought-after filming locations globally. However, the
3 ownership, long-term economic benefits, and infrastructure
4 development associated with film and media production
5 predominantly occur outside the State. Native Hawaiian history,
6 culture, and identity have been commercialized through film and
7 other media without significant Native Hawaiian ownership,
8 workforce engagement, or infrastructure advancement.

9 The legislature also finds that film and media production
10 represent a high-value global export industry capable of
11 generating sustainable revenue, skilled employment, tourism
12 demand, and enhanced international brand equity.

13 The legislature recognizes that title 43 Code of Federal
14 Regulations part 50 formally establishes a lawful administrative
15 pathway for the reconstitution and federal acknowledgment of a
16 Native Hawaiian governing entity. This framework for federal



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1 recognition affirms the unique legal and political status of
2 Native Hawaiians, and recognizes that the reorganization of a
3 Native Hawaiian governing body aligns with the trust
4 relationship that exists between the United States and the
5 Native Hawaiian community.

6 The legislature also recognizes that Hale Kapu Moolelo A
7 Alii Ana is a Native Hawaiian trust established to promote and
8 protect Native Hawaiian culture, foster economic development,
9 and create workforce opportunities. Its structure and
10 organizing efforts align with the principles and standards set
11 forth in title 43 Code of Federal Regulations part 50.

12 The legislature further recognizes that Alii Ana Studios,
13 governed by the trust, is the only Native Hawaiian film studio
14 in history to create two critically acclaimed, globally
15 recognized, award-winning feature films backed by Academy
16 Award-nominated producers that are told entirely through Native
17 Hawaiian narratives, cast with Native Hawaiian actors, and
18 produced under Native Hawaiian leadership. These films achieved
19 historic global distribution deals through the American film
20 market, with the studio's most recent feature film, "Kai",
21 receiving a national theatrical release in 2026. This is the



1 first time in the indigenous history of Hawaiian storytelling
2 that this feat has been achieved by an independent studio.

3 The legislature notes that Alii Ana Studios has led global
4 marketing campaigns for top-tier entertainment studios including
5 Warner Bros., Apple TV+, Netflix, and Legendary Entertainment.
6 The studio also played a foundational role in launching Jason
7 Momoa's production company. Alii Ana Studios represents a new
8 generation of indigenous-led cinematic infrastructure, combining
9 artistic excellence with cultural stewardship and economic
10 leadership. The studio has provided mentorship and employment
11 to Native Hawaiian creatives, established pathways for
12 indigenous workforce development, and is preparing for the
13 construction of permanent studio and post-production facilities
14 that meet global standards.

15 The legislature believes that strategic investment by the
16 State in this proven studio and its governing trust would ensure
17 compliance with both state and federal indigenous policy
18 frameworks, while expanding Hawaii's economic base through
19 full-cycle, indigenous-led creative productions.

20 The legislature also believes that it is important for the
21 State to align with the federally recognized self-determination



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1 framework for Native Hawaiians, support the reemergence of a
2 governing trust, and establish a robust Native Hawaiian film and
3 media economy centered in cultural integrity, economic equity,
4 and federal compliance.

5 The legislature further believes that it is vital for the
6 State to:

- 7 (1) Develop a permanent Native Hawaiian studio and
8 post-production infrastructure;
- 9 (2) Facilitate financing for independent Native Hawaiian
10 film and television productions;
- 11 (3) Facilitate the utilization of large external studio
12 productions to finance infrastructure and workforce
13 development;
- 14 (4) Ensure the use of full-cycle production and extended
15 production timelines within the State;
- 16 (5) Incentivize productions' use of time, resources, and
17 skilled labor within the State; and
- 18 (6) Incentivize the creation of paid apprenticeship
19 opportunities and long-term career pathways for Native
20 Hawaiian residents.



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(b) Accordingly, the purpose of this Act is to develop a Native Hawaiian-owned and operated film and media industry by:

(1) Establishing and appropriating moneys for a Native Hawaiian film and media development program within the department of business, economic development, and tourism; and

(2) Establishing a full-cycle motion picture production income tax credit.

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

"PART . NATIVE HAWAIIAN FILM AND MEDIA DEVELOPMENT PROGRAM

§201-A Definitions. As used in this part, unless the context otherwise requires:

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

"Independent Native Hawaiian production" means a feature film or episodic television series that is predominantly owned or controlled by a Native Hawaiian entity and produced under an independent budget model for global distribution.



1 "Program" means the Native Hawaiian film and media
2 development program.

3 **§201-B Native Hawaiian film and media development program;**
4 **established.** (a) There is established within the department a
5 Native Hawaiian film and media development program.

6 (b) The program shall:

7 (1) Support independent Native Hawaiian film and media
8 productions;

9 (2) Facilitate the establishment and operation of Native
10 Hawaiian-controlled studio and post-production
11 facilities;

12 (3) Administer the financing incentives established under
13 this chapter;

14 (4) Coordinate workforce training, apprenticeship
15 programs, and union participation; and

16 (5) Collaborate with the Hawaii tourism authority to align
17 film production with tourism and cultural promotion
18 objectives.

19 **§201-C Designation of eligible entity.** Hale Kapu Moolelo
20 A Alii Ana is recognized as an eligible Native Hawaiian trust
21 and operating studio. The trust may participate in and receive



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1 support under the program to develop, manage, and operate film
2 production and post-production facilities and independent
3 productions.

4 **\$201-D Reports.** The department of business, economic
5 development, and tourism shall submit a report to the
6 legislature no later than twenty days prior to the convening of
7 each regular session detailing the program's activities and
8 specifying, for the most recently completed fiscal year any:

9 (1) Funds allocated and expended;

10 (2) Productions supported;

11 (3) Infrastructure developed; and

12 (4) Outcomes related to workforce development and

13 apprenticeships."

14 SECTION 3. Chapter 235, Hawaii Revised Statutes, is
15 amended by adding a new section to part VI to be appropriately
16 designated and to read as follows:

17 "**\$235- Full-cycle motion picture production income tax**
18 **credit.** (a) Notwithstanding any law to the contrary, there
19 shall be allowed to each taxpayer subject to the taxes imposed
20 by this chapter, a full-cycle motion picture production income
21 tax credit that shall be deductible from the taxpayer's net



1 income tax liability, if any, imposed by this chapter for the
2 taxable year in which the credit is properly claimed. The
3 amount of the credit shall be equal to fifty per cent of
4 qualified production expenditures incurred within the State,
5 subject to:

6 (1) A per-production cap of no less than \$40,000 and no
7 more than \$50,000, as determined by rules adopted by
8 the department of taxation pursuant to chapter 91; and

9 (2) An aggregate cap of \$.

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

15 (c) If the tax credit under this section exceeds the
16 taxpayer's income tax liability, the excess of credits over
17 liability shall be refunded to the taxpayer; provided that no
18 refunds or payment on account of the tax credits allowed by this
19 section shall be made for amounts less than \$1. All claims,
20 including any amended claims, for tax credits under this section
21 shall be filed on or before the end of the twelfth month



1 following the close of the taxable year for which the credit may
2 be claimed. Failure to comply with any of the foregoing
3 provision shall constitute a waiver of the right to claim the
4 credit.

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

6 (1) Be a domestic or international motion picture or
7 television studio production of any size;

8 (2) Utilize a qualified Native Hawaiian studio facility;

9 (3) Complete full-cycle production within the State;

10 (4) Demonstrate, to the satisfaction of the department of
11 business, economic development, and tourism that a
12 portion of tax credit's value will be reinvested in
13 Hawaii-based infrastructure, which may include funding
14 for:

15 (A) The construction or expansion of studio and
16 post-production facilities;

17 (B) The acquisition of production and post-production
18 equipment;

19 (C) Funding for workforce training and paid
20 apprenticeship programs; or



1 (D) The development of technical capabilities
2 necessary for completing full-cycle production
3 within the State;

4 (5) Employ a Hawaii-based workforce and union labor, and
5 pay, where applicable, industry-standard wages;

6 (6) Offer paid apprenticeship opportunities that
7 facilitate skill transfer over extended production
8 timelines; and

9 (7) Establish pathways for long-term employment within the
10 State's film and media industry.

11 (e) Noncompliance with reinvestment requirements of
12 subsection (d) (4) shall result in the partial or complete
13 recapture of any tax credit authorized by this section.

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

18 (g) The department of taxation:

19 (1) Shall prepare forms as may be necessary to claim a
20 credit under this section;



1 (2) May require the taxpayer to furnish information to
2 ascertain the validity of the claim for credit made
3 under this section; and

4 (3) May adopt rules pursuant to chapter 91 necessary for
5 the purposes of this section.

6 (h) Each taxpayer claiming a tax credit under this section
7 shall submit to the department of business, economic
8 development, and tourism a written, sworn statement that
9 includes any information the department deems necessary for the
10 purposes of the report required by subsection (i).

11 (i) The department of business, economic development, and
12 tourism shall submit a report to the legislature no later than
13 twenty days prior to the convening of each regular session
14 specifying, for the most recently completed taxable year:

15 (1) The aggregate tax credits authorized under this
16 section; and

17 (2) The reinvestments made by taxpayers who qualified for
18 this tax credit as required by subsection (d)(4),
19 provided that the report required pursuant to this section may
20 be combined with the report required pursuant to section 201-D.

21 (j) For the purposes of this section:



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1 "Full-cycle motion picture production" means the completion
2 of a motion picture's production and post production process
3 within the State, including principal photography, picture
4 editing, color grading, sound design, music scoring, visual
5 effects, final mastering, and delivery.

6 "Qualified Native Hawaiian studio facility" refers to a
7 film production or post-production facility that is owned or
8 operated by an entity recognized by the department of business,
9 economic development, and tourism as being Native Hawaiian-
10 controlled and situated within the State.

11 "Qualified production expenditures" means expenditures
12 incurred within the State that are directly related to
13 production, post-production, workforce compensation, and
14 infrastructure investment, as determined by the department of
15 business, economic development, and tourism."

16 SECTION 4. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$5,000,000 or so much
18 thereof as may be necessary for fiscal year 2026-2027 to support
19 the Native Hawaiian film and media development program
20 established pursuant to section 2 of this Act, to be allocated
21 as follows:



(1) \$1,000,000 for industry launch and platform activation, which includes studio activation, equipment acquisition, the launch of workforce and apprenticeship programs, and preparation for global distribution; and

(2) \$4,000,000 for the development, production, post-production, and delivery of three independent Native Hawaiian feature films intended for global distribution.

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

SECTION 5. This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date.

SECTION 6. New statutory material is underscored.

SECTION 7. This Act shall take effect on July 1, 2026; provided that section 3 shall apply to taxable years beginning after December 31, 2025.

INTRODUCED BY: Kurt Fevella



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Report Title:

DBEDT; DOTAX; Native Hawaiians; Film and Media Industry; Tax Credit; Appropriations

Description:

Establishes and appropriates moneys for a Native Hawaiian film and media development program within the Department of Business, Economic Development, and Tourism. Establishes a full-cycle production tax credit for taxable years beginning after 12/31/2025. Provides the Department of Taxation with certain duties and responsibilities in administering the tax credit.

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

