



# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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

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Statement of  
**JAMES KUNANE TOKIOKA**  
**Director**  
Department of Business, Economic Development, and Tourism  
before the  
**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

Tuesday, February 3, 2026  
1:00 PM  
State Capitol, Conference Room 229

In consideration of  
**SB2578**  
**RELATING TO THE FILM INDUSTRY.**

Chair DeCoite, Vice Chair Wakai, and members of the Committee. Mahalo for the opportunity to testify in support of SB2578, which establishes a Hawai'i Film Commission and modernizes the State's governance structure for film, television, and digital media production. This measure is a critical step in aligning Hawai'i with global best practices in media industry development and ensuring that the State can compete in a rapidly evolving production economy.

Around the world, leading production jurisdictions have moved beyond traditional "film offices" and now operate through film commissions or media authorities that integrate:

- Incentive administration
- Studio and infrastructure development
- Workforce pipelines
- Public-private partnerships
- International marketing and co-production strategy

This structure exists because film is no longer simply an arts activity, it is a capital-intensive economic sector that requires coordinated governance. Examples include:

- California Film Commission – Administers incentives and coordinates large-scale production strategy statewide.

- Georgia Film Office – A key driver behind Georgia's emergence as a global production hub through centralized incentive administration and industry coordination.
- New York State Governor's Office of Motion Picture & Television Development – Integrates incentives, studio growth, and workforce policy.
- New Zealand Film Commission – National body coordinating incentives, workforce, and global production attraction alongside infrastructure growth.
- British Film Commission (under the UK's BFI) – Centralized authority supporting inward investment, studio expansion, and international productions.
- Screen Australia – National commission integrating grants, development funding, industry growth, and export.

These jurisdictions have demonstrated that institutional structure matters. Production follows not just incentives, but certainty, speed, infrastructure, and governance capacity.

SB2578 brings Hawai'i into alignment with this global model.

Film and digital media production now involves:

- Multi-million to multi-billion-dollar infrastructure investments
- Studio campuses and soundstage development
- Virtual production and post-production facilities
- AI-enabled production workflows
- Long-term workforce pipelines tied to education and credentialing

These are asset-driven economic development activities. They require an entity with authority to:

- Enter into public-private partnerships
- Manage and activate state-owned production facilities
- Administer grants and development funds
- Coordinate statewide permitting and industry engagement

SB2578 explicitly grants these authorities to the Hawai'i Film Commission, including P3 agreements for studios, sound stages, post-production, and creative technology infrastructure.

A traditional program housed within a broader division is not structured to execute at this scale or speed. A commission provides:

- Dedicated governance
- Industry expertise on the board
- Operational flexibility

- Clear accountability through annual reporting

The Legislature has already recognized that high-impact industries require dedicated authorities or corporations, not general program administration. Examples include:

- Agriculture sector entities
- Housing finance and development corporations
- Technology and innovation development corporations
- Tourism and destination management authorities

These structures exist because those industries require:

- Asset development
- Financing and partnerships
- Market-driven responsiveness
- Industry-specific governance

Film and digital media now sit at that same level of economic significance. SB2578 provides the same structural maturity for this sector.

As outlined in the State's media strategy blueprint, Hawai'i has:

- World-class locations
- Strong brand value
- Emerging workforce pipelines

But faces structural gaps:

- Limited soundstage and post-production capacity
- Shallow senior crew base
- Competition from jurisdictions with stronger governance and infrastructure models
- A production incentive system constrained by administrative capacity rather than strategy

Without modernization, productions will continue to migrate to jurisdictions where institutional readiness matches industry needs. The proposed Commission directly addresses these structural gaps.

SB2578 also embeds workforce strategy into the Commission's duties, including:

- K-12 pathways
- Postsecondary and credential-based training
- Upskilling in AI, virtual production, and digital workflows

This aligns with the statewide curriculum-to-career approach needed to convert production activity into long-term resident employment and industry growth.

The bill maintains strong public accountability through:

- Annual reporting to the Legislature
- Incentive reporting
- Grant reporting
- Public-private partnership disclosure
- Workforce outcome reporting

This ensures the Commission operates as an economic development authority with legislative oversight, not an isolated entity.

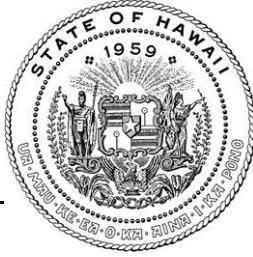
SB2578 is not simply an organizational change. It is a structural modernization that:

- Aligns Hawai'i with global film industry governance best practices
- Enables infrastructure and asset development
- Strengthens workforce pipelines
- Provides the institutional capacity required to compete internationally
- Treats the film and digital media sector with the same seriousness as other legislatively prioritized industries

For these reasons, we respectfully urge the Committee to pass SB2578.

Mahalo for the opportunity to testify in support.

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# DEPARTMENT OF BUSINESS, ECONOMIC DEVELOPMENT & TOURISM

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Statement of  
**GEORJA SKINNER**

**Division Chief, Creative Industries**

Department of Business, Economic Development, and Tourism  
before the

**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

February 3, 2026

1:00 PM

State Capitol, Conference Room 229

In consideration of

**SB2578**

**RELATING TO THE FILM INDUSTRY**

Chair DeCoite, Vice Chair Wakai, and members of the Committee. The Creative Industries division (CID) in the Department of Business, Economic Development and Tourism (DBEDT) supports SB2578, which creates a Hawai'i Film Commission attached to the department. As proposed, the measure establishes a film fund, adds leadership positions exempt from Chapter 76, transfers Hawai'i film office functions and its civil service positions to the commission, separates film and media sector development from the creative industries framework, restructures funding flows, strengthens governance and reporting, establishes a new source of funding to attract productions, and adds responsibilities for workforce development, and development of production industry infrastructure.

As the global production industry evolves, an encompassing commission structure as proposed in SB2578 is timely and necessary. Massive consolidation of media corporations in film, television, streaming and other media industries are going through a seismic shift, with new business models evolving at an unprecedented pace.

The scope and authority of a commission will advance our industry, including strategic business development, expansion of our workforce, and facilities development with a properly resourced and staffed commission which meets the needs of today and tomorrow.

We ask for your consideration to further clarify areas in the measure related to grants and tax credit management:

CID believes the Film Industry Development Special Fund is another important aspect of the commission and agree it should be administered by this body.

On page 7-8, § 201-E, Items (1) through (4) noting that the commission is to “Administer” the existing Hawai‘i Motion Picture, Digital Media and Film Production Income Tax Credit (Section 235-17 HRS), and the grants program, along with P3 partnerships. Request the committee’s consideration to amend this section to further clarify the roles and responsibilities of staff and commissioners. CID and DBEDT will work with the introducer and lawmakers for consideration.

CID wants to acknowledge and support this measure retitling the existing Hawai‘i film and creative industries development fund, (Section 201-113 HRS), as key to a strategic pillar in the division, which will continue to provide seed capital support for the emerging creative sectors to advance capacity of the state’s export of intellectual property, entrepreneurial development.

For these reasons we encourage lawmakers to support passage of SB2578. For Hawai‘i to succeed in reinvigorating the film industry, a strategic vision under a Film Commission can accelerate Hawai‘i as a global film and media powerhouse. Thank you for the opportunity to testify.

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

530 SOUTH KING ST, ROOM 306 • HONOLULU, HAWAII 96813  
PHONE: (808) 768-6100 • FAX: WEBSITE: [honolulu.gov/film-office](http://honolulu.gov/film-office)

RICK BLANGIARDI  
MAYOR  
MEIA

WALEA L. CONSTANTINAU  
FILM COMMISSIONER  
*Kominina Līpine*



Testimony of Walea Constantinau,  
Film Commissioner, Honolulu Film Office  
City and County of Honolulu

**SENATE COMMITTEE ON ECONOMIC DEVELOPMENT AND TOURISM**

February 3, 2026 1:00 PM  
State Capitol, Conference Room 229 and via Videoconference

**RE: SB 2578 RELATING TO FILM INDUSTRY – OFFERING COMMENTS**

Dear Chair DeCoite, Vice-chair Wakai and members of the committees:

The Honolulu Film Office would like to thank the Legislature and in particular this committee who have been so supportive over the years, investing your time and mana'o to gain insights and an understanding of the needs of the industry and the significant economic benefits that the film industry brings to Hawai'i.

We request a technical amendment to address inadvertent conflicts on page 6 line 2 that limits members (3) through (8) to not serve consecutive four-year terms.

County film office workers, listed as item (3), are appointed by their Mayors or are civil servants. They serve as the chief industry liaison for the county and usually serve more than four years in their respective positions. As such we respectfully request that the four-year term limit start at item (4) listed on Page 5, Line 11, or as government workers, consider making the county film office members of the commission *ex officio*, voting members.

Thank you for the opportunity to provide these comments.



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February 3, 2026

Committee on Economic Development & Tourism  
Chair DeCoite  
Vice Chair Wakai

The Senate  
The Thirtieth-Third Legislature  
Regular Session of 2026

**RE: SB 2578 RELATING TO THE FILM INDUSTRY.**

DATE: Tuesday, February 3, 2026

TIME: 1:00pm

PLACE: Conference Room 229

State Capitol 415 South Beretania Street, Honolulu HI

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

Thank you for the opportunity to offer comments on **SB 2578 RELATING TO THE FILM INDUSTRY.**

SAG-AFTRA represents over 160,000 actors, recording artists, and media professionals nationwide and over 1400 in Hawai'i. We are the professional performers working in front of the camera and behind the microphone. The SAG-AFTRA Hawai'i Local has a long-standing history of protecting performers in all areas of the entertainment, advertising, and media industries.

The film and television/digital media industry is too economically important, logically complex, and globally far reaching to not have a film commission. This is an idea that is long overdue. Creating a film commission will go a long way to ensuring transparency, fair play, and effectiveness.

A dedicated film commission provides the necessary industry expertise the state needs to provide stability in our film industry. The proposed board structure, which includes representatives from labor, global production, and indigenous storytelling, ensures that the state's strategy is informed by actual practitioners and cultural stewards.

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Mericia Palma Elmore, JD/MLSc  
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SCREEN ACTORS GUILD - AMERICAN FEDERATION OF  
TELEVISION AND RADIO ARTISTS  
SAGAFTRA.org

Associated Actors & Artistes of America / AFL-CIO



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While we recognize the vital importance of establishing the Commission, we respectfully defer to the Department of Business, Economic Development, and Tourism (DBEDT) regarding the specific administrative and fiscal restructuring proposed in the measure.

We believe DBEDT is best positioned to comment on the operational feasibility of these transfers, the fiscal impact of diverting fees between special funds, and the internal logistical requirements of transitioning the Hawaii Film Office's duties to the new Commission.

We are grateful for the legislature's continued support of our industry. Please don't hesitate to reach out to our offices for more information on how this measure impacts our members, your constituents.

Respectfully,

*Mericia Palma Elmore*

Mericia Palma Elmore, Executive Director SAG-AFTRA Hawaii Local

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Associated Actors & Artistes of America / AFL-CIO



**State of Hawai‘i  
The Thirty-Third Legislature  
State Senate  
Committee on Economic Development and Tourism (EDT)**

**Tuesday, February 3, 2026  
1:00PM – Room 229, HI State Capitol**

**COMMENTS REGARDING SB 2578  
RELATING TO THE FILM INDUSTRY**

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

Mahalo for the opportunity to provide COMMENTS on SB 2578.

The Hawai‘i Film Alliance (HFA) is a member-based organization comprised of more than 600 Hawai‘i film and television professionals, entertainment union members, creative workers, production companies, small businesses, and allied industry partners who live and work in the State of Hawai‘i. Our members span the full spectrum of the production ecosystem that enable films to operate locally.

SB 2578 proposes the establishment of a statutory Hawai‘i Film Commission and the creation of a Film Industry Development Special Fund. These structural changes reflect an understanding that film and digital media productions is a globally competitive industry that requires coordinated leadership, policy clarity and sustained long-term investment to remain viable.

In an increasingly competitive global environment, jurisdictions are modernizing their film support systems by creating integrated authorities that can respond efficiently to industry needs, invest in next generation technologies and align workforce development with emerging modes of content creation. SB 2578 presents an opportunity for Hawai‘i to strengthen its economic development strategy by improving coordination, accountability, and operational efficiency within this sector.

To minimize disruption during active productions and ongoing operations, HFA respectfully offers the following considerations as this measure advances:

1. That current film office staff be given the first right of refusal for positions under the new Hawai‘i Film Commission, preserving institutional knowledge and operational continuity.

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2. That the permitting system be streamlined across all government properties in a consistent and equitable manner to reduce delays and improve cost predictability for productions.
3. That representation for labor unions be increased, with appointments informed by input from their respective memberships, ensuring workforce perspectives are included.
4. That the number of county film commissioners be expanded to more accurately reflect and serve the residents and economic conditions of each county.
5. That if the role of the Hawai'i Film Commission extends beyond an advisory capacity, commission members and/or staff be compensated fairly in recognition of their responsibilities and contributions.

With these considerations, SB 2578 can enhance Hawai'i's economic development goals by strengthening a high-value, export-oriented industry that supports local jobs, small businesses, and workforce development statewide.

# TAX FOUNDATION OF HAWAII

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735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

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**SUBJECT:** NET INCOME, Establish Hawaii Film Commission to Administer Production Tax Credit and Modify Ceilings

**BILL NUMBER:** SB 2578

**INTRODUCED BY:** DECOITE, MORIWAKI

**EXECUTIVE SUMMARY:** Establishes the Hawai‘i Film Commission. As related to taxation, allows the Commission to administer the media production tax credits and to waive or modify the credit cap per qualified production.

**SYNOPSIS:** Adds a new part to Chapter 201, HRS, to establish the Hawaii Film Commission and amends various provisions in Chapter 201 to transfer many of the functions of the existing Hawaii Film Office to it.

In particular, new section 201-E states that the Commission is to, among other things, (1) administer the motion picture, digital media, and film production tax credits pursuant to section 235-17, including application intake, review, registration, certification, compliance monitoring, and reporting; and (2) review and determine whether to waive or modify the maximum total motion picture, digital media, and film production tax credits per qualified production pursuant to criteria and procedures adopted by the commission by rule or formal action.

Makes a conforming amendment to section 235-17, HRS.

**EFFECTIVE DATE:** July 1, 2026.

**STAFF COMMENTS:** The production credit in HRS section 235-17 was enacted as Act 107, SLH 1997, as a percentage of the costs incurred in the State in the production of motion picture or television films. As enacted, the credit was 4% of regular production costs plus 6% of transient accommodations, mirroring the GET and TAT rates at the time. Act 156, SLH 1988, raised the TAT credit to 7.25% while also raising the TAT rate to 7.25%.

After a period where this credit took a back seat to the qualified high tech business program enacted by Act 221, SLH 2001, this credit was next amended by Act 88, SLH 2006, which added credits for digital media and replaced the GET and TAT bifurcation with a unified credit of 15% of qualified production costs incurred in the C&C of Honolulu and 20% in any other county. The act added a per-production cap of \$8 million and sunset the credit on Jan. 1, 2016.

Act 89, SLH 2013, changed the credit percentages to 20% in Honolulu and 25% in any other county; raised the per-production limit to \$15 million; and extended the sunset date to Jan. 1, 2019.

Act 143, SLH 2017, extended the sunset date for the credit to Jan. 1, 2026, and first imposed an aggregate cap of \$35 million. Act 275, SLH 2019, raised the aggregate cap to \$50 million.

Act 217, SLH 2022, increased the credit percentages to 22% in Honolulu and 27% in any other county and extended the sunset date to January 1, 2033.

We in Hawaii have had our production credit since 1997, so it's been more than twenty years. Have there been any studies about what the program has done for Hawaii's economy or Hawaii's tax revenue? Certainly, the film industry promises increased opportunities. Some of them certainly have materialized. The Motion Picture Association, for example, claims 4 films and 13 TV series were filmed in Hawaii in 2021, and 3 films and 9 TV series in 2022, resulting in 4,130+ jobs and \$262.6+ million in wages in the state. See <https://www.motionpictures.org/advocacy/driving-local-economies/#map>.

This bill takes one of the guardrails the Legislature enacted, the (current) per-production cap of \$17 million, and effectively tosses it out the window. Yes, the cap is still there, but this new agency called the Commission is given the power to raise or lower the cap, or waive it altogether, pursuant to standards that *it* is going to set. To keep any semblance of normalcy, the bill should be amended to include standards and criteria for raising, lowering, or waiving the cap to be sure that our elected policymakers are running the show and that our executive agencies are working off that script.

Digested: 2/1/2026

**SB-2578**

Submitted on: 2/2/2026 11:05:46 AM  
Testimony for EDT on 2/3/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Genaro Hale Gualdarama	Testifying for Hawaii Teamsters Local 996	Support	Written Testimony Only

**Comments:**

i am in support of this bill.

## **SB 2578 – Hawai‘i Film Commission & Fund Changes**

Submitted by: Brian Keaulana

Position: SUPPORT WITH AMENDMENTS / FURTHER DISCUSSION

Date: February 02, 2026

Chair and members, aloha mai kākou.

My name is Brian Keaulana. I submit testimony on SB 2578 with support, but I believe it needs more discussion and amendments to ensure it truly benefits Hawai‘i’s workforce and long-term industry stability.

If governance is being redesigned, the mission must be explicit and outcome-driven:

- 1) Workforce advancement: measurable pathways that move local people into higher-skill roles (post, sound, VFX, accounting, camera).
- 2) Infrastructure growth: policies that support a stable pipeline so Hawai‘i can build world-class studios, post capacity, and controlled water filming capability (including a modern water tank).
- 3) Community and cultural stewardship: clear community access planning, cultural protocol where appropriate, and transparent communication.

I support moving SB 2578 forward if it is strengthened to lock in these outcomes.

Mahalo for your consideration.

**SB-2578**

Submitted on: 2/2/2026 9:16:36 AM  
Testimony for EDT on 2/3/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chris Sills	Individual	Support	Written Testimony Only

**Comments:**

I support the creation of this fund an the film industry in Hawaii.

**LATE**

**SB-2578**

Submitted on: 2/3/2026 9:19:17 AM  
Testimony for EDT on 2/3/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cooky Usagida	Testifying for HI! VTuber Expo	Comments	Written Testimony Only

Comments:

I am writing in support of SB2578, however, I am concerned that this bill does not address the creator and VTuber industry which is expected to grow over 30 billion dollars by the year 2030.

While this bill does address some concerns in regards to the film industry, the content creator industry, which is rapidly growing in Hawai‘i, is still facing frustrations over whether they'll be able to afford the equipment or are forced to have to make tough sacrifices, such as leaving the islands or skipping a meal. As stated in statistics, more than half of the younger generations, including generation Z and generation Alpha also do not watch TV or film and prefer to watch content creators directly on platforms such as YouTube and Twitch.

I strongly recommend the state to please consider amending the bill to include support for all Hawai‘i based content creators in order to ensure that all of Hawai‘i's content creators, including VTubers, get the exact same amount of success and support as movie and film productions will get in this bill. Thank you.

**LATE**

**SB-2578**

Submitted on: 2/3/2026 8:46:23 AM  
Testimony for EDT on 2/3/2026 1:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brendan Lee	Testifying for West 4th Street Films	Support	Written Testimony Only

Comments:

Aloha and Good Afternoon,

I am writing today in support of SB2578 and the Hawaii Film Industry.

I have been blessed over the years to work in the islands, and to be a part of the one-of-a-kind experience it is to make films in Hawaii. The production value is obvious in the singular beauty of the locations, but where Hawaii's industry really distinguishes itself is in the talent and spirit of the local crew.

I have worked all over the world, in several countries and U.S. States, and after 20+ years of adapting to and working with local crews in these various locales, I can confidently say that Hawaii's talent pool is absolutely the cream of the crop.

With a more competitive tax incentive structure, I believe that productions currently choosing to do business further afield will return to Hawaii and invest in the local economy across several sectors.

I have made lifelong friends in the islands because of this industry, and it is my sincere hope that they be able to thrive making films far into the future, in Hawaii.

Mahalo for your consideration.

Brendan Lee

President, West 4th Street Films

Director & Assistant Director (DGA)