

Honolulu, Hawaii
, 2026

MAR 25

RE: S.B. No. 2578
S.D. 1
H.D. 1

Honorable Nadine K. Nakamura
Speaker, House of Representatives
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Madame:

Your Committee on Economic Development & Technology, to which was referred S.B. No. 2578, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO THE FILM INDUSTRY,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish a Hawaii Film Commission and transfer the rights, powers, functions, and duties of the Hawaii Film Office to the Commission;
- (2) Establish the Film Industry Development Special Fund and require all revenues, fees, and charges from processing the film tax credit to be deposited into the fund;
- (3) Exclude media and film from the definition of "creative industries" and rename the Hawaii Film and Creative Industries Development Special Fund as the Hawaii Creative Industries Development Special Fund; and
- (4) Amend the sources of monies to be deposited into the Hawaii Creative Industries Development Special Fund and authorize the fund to be used for the support and



development of facilities and other initiatives to grow the State's creative industries.

Your Committee received testimony in support of this measure from the Department of Business, Economic Development, and Tourism; Creative Industries Division of the Department of Business, Economic Development, and Tourism; IATSE Local 665; Hawaii Teamsters Local 996; Hyperspective Studios, Inc.; Directors Guild of America, Inc.; Hawaii Media Inc.; Tyler Young Films, LLC; SAG-AFTRA Hawaii Local; and numerous individuals. Your Committee received testimony in opposition to this measure from one individual. Your Committee received comments on this measure from the Honolulu Film Office; Tax Foundation of Hawaii; and Hawai'i Film Alliance.

Your Committee finds that Hawaii's film, television, and digital media industries are operating in an increasingly competitive global environment, in which jurisdictions compete not only on tax incentives, but on infrastructure, workforce readiness, technological capacity, and speed of execution. Your Committee further finds that many states and international jurisdictions have modernized their film offices into integrated film commissions with centralized authority to administer incentives, grants, studio facilities, and public-private partnerships. Your Committee recognizes that Hawaii currently lacks such an authority and that establishing a centralized entity for film-related activities would ensure that the State remains competitive in attracting productions and supporting its local film industry. Accordingly, this measure restructures and modernizes the State's film and creative industry by establishing a Hawaii Film Commission and a related special fund.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Economic Development & Technology that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578, S.D. 1, as amended herein, and



recommends that it pass Second Reading in the form attached hereto as S.B. No. 2578, S.D. 1, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development & Technology,



GREGGOR ILAGAN, Chair



