

STAND. COM. REP. NO. 2191

Honolulu, Hawaii

FEB 11 2026

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

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2026
State of Hawaii

Sir:

Your Committee on Economic Development and Tourism, to which was referred S.B. No. 2578 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the Hawaii Film Commission within the Department of Business, Economic Development, and Tourism for administrative purposes only and transfer the rights, powers, functions, and duties of the Hawaii Film Office to the Commission;
- (2) Establish the Film Industry Development Special 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;
- (4) Amend the sources of moneys to be deposited into the Hawaii Creative Industries Development Special Fund, including requiring all revenues, fees, and charges from the processing of the Motion Picture, Digital Media, and Film Production Income Tax Credit to be deposited into



the Film Industry Development Special Fund, rather than the Hawaii Creative Industries Development Special Fund;

- (5) Allow 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;
- (6) Require the Governor to appoint Commission members, the Director of Business, Economic Development to appoint the Executive Director of the Commission, and the Executive Director to hire staff by 12/31/2027;
- (7) Require annual reports to the Legislature; and
- (8) Appropriate funds.

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; West 4th Street Films; Hawaii Teamsters Local 996; and two individuals.

Your Committee received comments on this measure from the Honolulu Film Office; SAG-AFTRA Hawaii Local; Hawai'i Film Alliance; Tax Foundation of Hawaii; and HI! VTuber Expo.

Your Committee finds that the local film industry is currently governed by the Film Industry Branch of the Creative Industries Division of the Department of Business, Economic Development, and Tourism, operating as the Hawaii Film Office. Your Committee further finds, however, that leading production jurisdictions globally have shifted away from traditional film offices, instead establishing film commissions or media authorities. These commissions integrate incentive administration, studio and infrastructure development, workforce pipelines, public-private partnerships, and international marketing and co-production strategies. To remain competitive in this context, this measure restructures and modernizes the State's film and creative industries governance through the establishment of the Hawaii Film Commission.



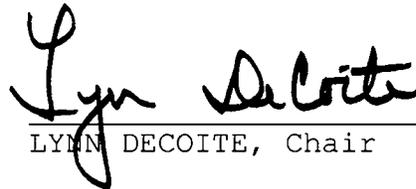
Your Committee has amended this measure by:

- (1) Inserting an effective date of July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes the request from the Hawai'i Film Alliance that the representation of labor unions on the Hawaii Film Commission should be increased to ensure workforce perspectives are sufficiently represented. Specifically, SAG-AFTRA Hawaii Local; IATSE Local 665, AFL-CIO; Hawaii Teamsters and Allied Workers Union Local 996; and musician representatives may offer valuable primary perspectives to the Commission. Accordingly, your Committee respectfully requests that subsequent Committees to which this measure is referred consider this issue.

As affirmed by the record of votes of the members of your Committee on Economic Development and Tourism that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2578, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2578, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Economic
Development and Tourism,


LYNN DECOITE, Chair



