STAND. COM. REP. NO. 1687

Honolulu, Hawaii

MAR 22 , 2019

RE: S.B. No. 33

S.D. 3 H.D. 1

Honorable Scott K. Saiki Speaker, House of Representatives Thirtieth State Legislature Regular Session of 2019 State of Hawaii

Sir:

Your Committees on Economic Development & Business and Lower & Higher Education, to which was referred S.B. No. 33, S.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO ECONOMIC DEVELOPMENT,"

beg leave to report as follows:

The purpose of this measure is to repeal the annual \$35,000,000 rolling cap and extend the repeal date for the Motion Picture, Digital Media, and Film Production Income Tax Credit (Tax Credit); provided that title to a certain parcel of University of Hawaii, West Oahu campus land is successfully transferred to the Hawaii Technology Development Corporation.

The Maui County Film Office, Honolulu Film Office, International Alliance of Theatrical Stage Employees Local 665, Motion Picture Association of America, Inc., CBS Corporation, The Walt Disney Company, Hawaii Film and Entertainment Board, Screen Actors Guild - American Federation of Television and Radio Artists (SAG-AFTRA), SAG-AFTRA Hawaii Local, Hawaii Media Inc., Island Film Group, Hawaii Teamsters and Allied Workers Local 996, and numerous individuals testified in support of this measure. Kiwi Marine and a concerned individual testified in opposition to this measure. The Department of Business, Economic Development & Tourism; Department of Taxation; University of Hawaii; Hawaii

Technology Development Corporation; Tax Foundation of Hawaii; and NBCUniversal provided comments on this measure.

Your Committees find that while the jobs directly created by the film industry may not seem to have a substantial economic impact on the State, the industry's indirect expenditures, including indirect services, merchandise, and other needs for film productions create a substantial economic impact by generating additional jobs and revenue for the State.

Your Committees have amended this measure by:

- (1) Increasing the \$35,000,000 cap on the Tax Credit to \$55,000,000 instead of eliminating it; provided that the University of Hawaii, West Oahu campus and HTDC execute a memorandum of understanding for a no-cost, at least 65-year lease agreement that includes a provision for the potential transfer of title to a certain parcel of University of Hawaii, West Oahu campus land;
- (2) Adding a severability provision;
- (3) Changing its effective date to July 1, 2112; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Economic Development & Business and Lower & Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 33, S.D. 3, as amended herein, and recommend that it pass Second Reading in the form attached hereto as S.B. No. 33, S.D. 3, H.D. 1, and be referred to your Committee on Finance.

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Respectfully submitted on behalf of the members of the Committees on Economic Development & Business and Lower & Higher Education,

JUSTIN H. WOODSON, Chair

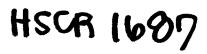
ANGUS L.K. McKELVEY, Chair

# State of Hawaii House of Representatives The THIRTIETH Legislature HSCR 1697

### Record of Votes of the Committee on Economic Development & Business

	mittee Referral: EDB/LHE, FI	N Date:	3/13/19				
☐ The committee is reconsidering its previous decision on the measure.							
The recommendation is to:  □ Pass, unamended (as is) □ Pass, with amendments (HD) □ Hold □ Pass short form bill with HD to recommit for future public hearing (recommit)							
EDB Members	Ayes	Ayes (WR)	Nays	Excused			
1. McKELVEY, Angus L.K. (C)	<b></b>		and the second s				
2. KITAGAWA, Lisa (VC)							
3. ELI, Stacelynn K.M.			er en				
				50/10/17/20			
4. ICHIYAMA, Linda		<u> </u>					
5. JOHANSON, Aaron Ling			ja kananga at <sup>177</sup> a na jag	1 1 A 2			
6 OUINI AN Soon			and a supposed design of the contract of the c				
6. QUINLAN, Sean							
7. YAMASHITA, Kyle T.							
8. MATSUMOTO, Lauren		·					
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TOTAL (8)	7	Ø	Ø	1			
The recommendation is:  Adopted  If joint referral, did not support recommendation.  committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							

#### State of Hawaii House of Representatives The THIRTIETH Legislature



## Record of Votes of the Committee on Lower & Higher Education

SB33,803	Committee Referral:	Date:	3/13	19			
SB33,803 EDB/LHE,FIN 3/13/19  The committee is reconsidering its previous decision on the measure.							
The recommendation is to:  Pass, unamended (as is)  Pass, with amendments (HD)  Hold  Pass short form bill with HD to recommit for future public hearing (recommit)							
LHE Members	Ayes	Ayes (WR)	Nays	Excused			
	11,03	Tijoo (TTI)	Tiujo	LACUSCU			
1. WOODSON, Justin H. (C)							
2. HASHEM, Mark J. (VC)				and the state of t			
3. PERRUSO, Amy A. (VC)			a sin c				
4. DeCOITE, Lynn			40 <sup>6</sup>				
5 IOHANSON Asserting							
5. JOHANSON, Aaron Ling							
6. KOBAYASHI, Dale T.				katan ta			
		Y					
7. OHNO, Takashi		and the second s		at takan at aj galak sa at e s Ang			
8. QUINLAN, Sean				V			
O TADNIAC D							
9. TARNAS, David A.							
10. TOKIOKA, James Kunane			do <u>r fil</u>				
Consoling games indicate							
11. OKIMOTO, Val							
TOTAL (11)	フ	2	0	2			
The recommendation is:  Adopted  If joint referral, did not support recommendation.  Onmittee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO							
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