

HI H 2747, House Draft 1

Hawaii

SUMMARY: Establishes the filmmakers special fund; requires the State Foundation on Culture and the Arts to award grants for film and media; relates to creative industries intellectual property development projects in the state; requires consultation with the Creative Industries Division of the Department of Business, Economic Development, and Tourism; repeals specified date; declares that the appropriation exceeds the state General Fund expenditure ceiling for specified year.~SAME AS:

Changes in Bill text reflected as:

~~Text Deleted~~

Text Added

~~Text Vetoed~~

Current Legislative Status

01/24/2024 INTRODUCED.

01/26/2024 To HOUSE Committee on CULTURE, ARTS, & INTERNATIONAL AFFAIRS.

01/26/2024 Subsequent referral set for: HOUSE Committee on FINANCE.

01/29/2024 Rereferred to HOUSE Committee on CULTURE, ARTS, & INTERNATIONAL AFFAIRS.

01/29/2024 Subsequent referral set for: HOUSE Committee on ECONOMIC DEVELOPMENT.

01/29/2024 Subsequent referral set for: HOUSE Committee on FINANCE.

02/02/2024 In Committee: Hearing Scheduled.

02/07/2024 In HOUSE Committee on CULTURE, ARTS, & INTERNATIONAL AFFAIRS: Voted do pass with amendment.

02/08/2024 From HOUSE Committee on CULTURE, ARTS, & INTERNATIONAL AFFAIRS: Do pass as amended (HD1).

02/08/2024 In HOUSE. Read second time. Committee amendment adopted. House Draft 1.

02/08/2024 To HOUSE Committee on ECONOMIC DEVELOPMENT.

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session: Hawaii The 32nd Legislature

cite: 2023 HI H 2747

House Draft 1

February 8, 2024

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HOUSE OF REPRESENTATIVES

THIRTY-SECOND LEGISLATURE, 2024

STATE OF HAWAII

H.B. NO. 2747

H.D. 1

A BILL FOR AN ACT

RELATING TO CREATIVE MEDIA.

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

SECTION 1. The legislature finds that the Hawaii film and television industry has continued to grow over the past twenty years due, in part, to various state incentives that allow the State to effectively subsidize some production

costs. These public-private partnerships have not only increased the number of feature films, television series, and commercial productions filming in Hawaii, but have also directly increased the number of media-related jobs and the amount of tax revenue to the State. During 2020, film production in Hawaii generated a net of \$104,900,000 in gross domestic product and many times that figure in economic benefits from that spending.

The legislature further finds that film festivals working with capitol modern, formerly known as the Hawaii state art museum, and other institutions have helped to support Hawaii filmmakers by promoting new and emerging talent in Hawaii, helping to provide careers in creative media, increasing funding sources for filmmaking, and supporting creative media collaborations through educational programs. Film festivals in Hawaii attract tens of thousands of viewers and generate millions of dollars in additional spending and economic benefits.

The legislature additionally finds that there is currently a Hawaii film and creative industries development special fund within the department of business, economic development, and tourism that has been ineffective at supporting Hawaii's filmmakers by failing to award grants for film, media, and creative industries intellectual property development projects.

Accordingly, the purpose of this Act is to repeal the Hawaii film and creative industries development special fund and transfer funds to a newly established filmmakers special fund, to be used by the state foundation on culture and the arts to award grants for film, media, and creative industries intellectual property development projects that are created and produced in Hawaii by Hawaii resident filmmakers.

SECTION 2. Chapter 9, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

" § 9-__ Filmmakers special fund; established. (a) There is established within the department of accounting and general services the filmmakers special fund into which shall be deposited:

(1) Appropriations by the legislature to the special fund; and

(2) Gifts, donations, and grants from public agencies and private persons.

(b) In consultation with the creative industries division of the department of business, economic development, and tourism, the state foundation on culture and the arts shall expend moneys in the fund to award grants from the filmmakers special fund for film, media, and creative industries intellectual property development projects that are created and produced by Hawaii resident filmmakers in Hawaii."

SECTION 3. Section 235-17, Hawaii Revised Statutes, is amended by amending subsection (k) to read as follows:

"(k) Each taxpayer claiming a tax credit under this section shall submit to the department of business, economic development, and tourism a fee for the motion picture, digital media, and film production income tax credit in an amount equal to 0.2 per cent of the tax credit claimed by the qualified production no later than the deadline stated in subsection (c). The department of business, economic development, and tourism may prescribe the form and method by which this fee is remitted, including through electronic means. The fees collected under this subsection shall be deposited into the ~~Hawaii film and creative industries development~~ **filmmakers** special fund under section ~~201-113, 9-~~."

SECTION 4. Section 201-113, Hawaii Revised Statutes, is repealed.

~~**" § 201-113 Hawaii film and creative industries development special fund. (a) There is established in the state treasury the Hawaii film and creative industries development special fund into which shall be deposited:**~~

~~**(1) Appropriations by the legislature;**~~

~~**(2) Donations and contributions made by private individuals or organizations for deposit into the fund;**~~

~~**(3) Grants provided by governmental agencies or any other source;**~~

~~**(4) Effective January 2, 2023, all revenues, fees, and charges from the processing of the motion picture, digital media, and film production income tax credit pursuant to section 235-17; and**~~

~~**(5) Effective July 1, 2022, all existing and future revenues, fees, and income received by the department from its management of public facilities that support media and entertainment**~~

~~workforce and business development, with the exception of the Hawaii film studio.~~

~~(b) The fund shall be used by the department to provide for:~~

~~(1) A program to provide seed capital for film, media, electronic sports, and creative industries intellectual property development projects for export, as determined by the department;~~

~~(2) Programs that expand the skills of the States resident workforce in the film, media, and creative industries;~~

~~(3) Marketing programs that attract business opportunities in the film, media, and creative industries in the State; and~~

~~(4) Repair, maintenance, and related costs of the department's management of public facilities that support media and entertainment workforce and business development."~~

SECTION 5. All unexpended and unencumbered moneys remaining on balance in the Hawaii film and creative industries development special fund as of the effective date of this Act shall be transferred to the filmmakers special fund as of that date.

SECTION 6. There is appropriated out of the filmmakers special fund the sum of \$ or so much thereof as may be necessary for fiscal year 2024-2025 for the state foundation on culture and the arts to award grants for film, media, and creative industries intellectual property development projects that are created and produced by Hawaii resident filmmakers in Hawaii.

The sum appropriated shall be expended by the state foundation on culture and the arts for the purposes of this Act.

SECTION 7. This Act shall take effect on July 1, 3000.