



# UNIVERSITY OF HAWAII SYSTEM

## Legislative Testimony

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Testimony Presented Before the  
House Committee on Finance  
Tuesday, February 27, 2018 at 11:00 a.m.

by

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on behalf of

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HB 1328 HD1 – RELATING TO FILM AND DIGITAL MEDIA INDUSTRY DEVELOPMENT

Chair Luke, Vice Chair Cullen, and Members of the Committee:

Thank you for the opportunity to submit testimony in support of HB 1328 HD1.

The motion picture, television, and digital content industry has been providing our economy with environmentally friendly, living wage jobs for over a hundred years. Indeed, Hawai'i's main industry, tourism, has enjoyed an invaluable global marketing ally ever since Thomas Edison shot the first films in Honolulu in 1908. In many ways, the world has come to know Hawai'i through such shows as *Hawai'i Five-0*, *Magnum PI*, and *Lost*. Since then, and especially since the tourism downturn following 9/11, Hawai'i has had a robust film and television industry, often with \$200 million a year in direct production spend, and reaching as much as \$400 million. This consistent diversification of our economy has been made possible by Hawai'i's production tax credit. While some may question the efficacy of these credits, the reality is that the studios and networks decide where to shoot films based on where the credits are being offered. When Louisiana severely restricted its production credits, Georgia become the South's production powerhouse – with the industry contributing over \$7 billion to the state's economy and employing 30,000 residents. Please see video link about this transformation: <https://www.youtube.com/watch?v=06Bzg6SY7SY>

HB 1328 HD1 provides stability and predictability for this vital local industry, recognizes the need for appropriate recognition of the state's investment in films and television shows through end credit or alternative marketing opportunities, and—most importantly for the growing number of creative media students at UH — offers them the chance to stay in Hawai'i with living wage jobs.

HB 1328 HD1 also recognizes the reality that production tax incentives drive the decision making of the studios, networks, and streaming services in terms of where they will shoot. By amending the aggregate tax credit cap to an unspecified amount, it will ensure that Hawai'i remains on the financial map to Hollywood decision makers.

Thank you for your consideration on this matter.