



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Economic Development
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by

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on behalf of

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University of Hawai'i System

SB 3265 SD2 – RELATING TO FILM INDUSTRY DEVELOPMENT

Chair Holt, Vice Chair Lamosao, and Members of the Committee:

The University of Hawai'i (UH) supports SB 3265 SD2.

Research conducted by independent economists Professor Emeritus James Mak and Sumner LaCroix of UHERO has highlighted that since the passage of the Act 88 film credit in 2006, spending in Hawai'i on TV/film productions has soared with inflation-adjusted spending increasing by 116 percent between 2007 (\$164.5 million) and 2019 (\$355.6 million). This is much larger than the overall increase in Hawai'i real gross domestic product over the same period, a modest 17 percent.

Prior to Act 88, Hawai'i never saw more than \$100 million in production per year. Since then, Hawai'i's film industry has climbed to a DBEDT reported average of \$396 million dollars in direct spend per annum. In DBEDT's latest figures from 2022, the total Hawai'i film production direct spend was \$420.04 million (includes qualified tax credit spend and non-tax credit spend).

The breakdown by island is as follows: O'ahu: \$354.88 million; Hawai'i County: \$39.32 million; Kaua'i County: \$12.56 million; Maui County: \$13.28 million

With Hawai'i household income generated at \$168.02 million and tax revenue generation of \$45.36 million, DBEDT estimates the total economic impact from film production on our economy at an impressive \$726.68 million.

As with all industries, growth depends on three factors: workforce development, physical infrastructure and incentives. This measure aids in both incentivising production in the islands and the building of much needed physical infrastructure.

Thank you for the opportunity to testify.