

___.B. NO._____

A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The purpose of this Act is to eliminate the cap established
2 for the distribution of transient accommodations tax revenues to the counties.

3 SECTION 2. Section 237D-6.5, Hawai'i Revised Statutes, is amended
4 by amending subsection (b) to read as follows:

5 “(b) Revenues collected under this chapter shall be distributed in the
6 following priority, with the excess revenues to be deposited into the general
7 fund:

8 (1) \$1,500,000 shall be allocated to the Turtle Bay
9 conservation easement special fund beginning July 1, 2015, for the
10 reimbursement to the state general fund of debt service on
11 reimbursable general obligation bonds, including ongoing expenses
12 related to the issuance of the bonds, the proceeds of which were used to
13 acquire the conservation easement and other real property interests in
14 Turtle Bay, O'ahu, for the protection, preservation, and enhancement

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1 of natural resources important to the State, until the bonds are fully
2 amortized;

3 (2) \$26,500,000 shall be allocated to the convention center
4 enterprise special fund established under section 201B-8;

5 (3) \$82,000,000 shall be allocated to the tourism special fund
6 established under section 201B-11; provided that:

7 (A) Beginning on July 1, 2012, and ending on
8 June 30, 2015, \$2,000,000 shall be expended from the tourism
9 special fund for development and implementation of initiatives
10 to take advantage of expanded visa programs and increased
11 travel opportunities for international visitors to Hawaii;

12 (B) Of the \$82,000,000 allocated:

13 (i) \$1,000,000 shall be allocated for the
14 operation of a Hawaiian center and the museum of
15 Hawaiian music and dance at the Hawaii Convention
16 Center; and

17 (ii) 0.5 per cent of the \$82,000,000 shall be
18 transferred to a sub-account in the tourism special fund to
19 provide funding for a safety and security budget, in
20 accordance with the Hawai'i Tourism Strategic
21 Plan 2005-2015; and

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1 (C) Of the revenues remaining in the tourism special
2 fund after revenues have been deposited as provided in this
3 paragraph and except for any sum authorized by the legislature
4 for expenditure from revenues subject to this paragraph,
5 beginning July 1, 2007, funds shall be deposited into the tourism
6 emergency special fund, established in section 201B-10, in a
7 manner sufficient to maintain a fund balance of \$5,000,000 in
8 the tourism emergency special fund;

9 (4) [\$103,000,000 for fiscal year 2014-2015, \$103,000,000 for fiscal
10 year 2015-2016, \$103,000,000 for fiscal year 2016-2017, and \$93,000,000 for
11 each fiscal year thereafter] 44.8 percent of the revenues collected under this
12 chapter after revenues have been deposited as provided in this section shall
13 be allocated to the counties and distributed as follows: Kaua'i County shall
14 receive 14.5 per cent, Hawai'i County shall receive 18.6 per cent, City and
15 County of Honolulu shall receive 44.1 per cent, and Maui County shall
16 receive 22.8 per cent; provided that commencing with Fiscal Year 2018-2019,
17 a sum that represents the difference between a County public employer's
18 annual required contribution for the separate trust fund established under
19 Section 87A-42 and the amount of the County public employer's contributions
20 into that trust fund shall be retained by the State Director of Finance and
21 deposited to the credit of the County public employer's annual required

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1 contribution into that trust fund in each fiscal year, as provided in
2 Section 87A-42, if the respective county fails to remit the total amount of the
3 county's required annual contributions, as required under Section 87A-43;

4 (5) \$3,000,000 shall be allocated to the special land and
5 development fund established under Section 171-19; provided that the
6 allocation shall be expended in accordance with the Hawaii tourism
7 authority strategic plan for:

8 (A) The protection, preservation, maintenance, and
9 enhancement of natural resources, including beaches, important
10 to the visitor industry;

11 (B) Planning, construction, and repair of facilities; and

12 (C) Operation and maintenance costs of public lands,
13 including beaches, connected with enhancing the visitor
14 experience; and

15 All transient accommodations taxes shall be paid into the state
16 treasury each month within ten days after collection and shall be kept by the
17 State Director of Finance in special accounts for distribution as provided in
18 this subsection.

19 As used in this subsection, "Fiscal Year" means the twelve month
20 period beginning on July 1 of a calendar year and ending on June 30 of the
21 following calendar year."

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1 SECTION 2. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 3. This Act shall take effect upon its approval.

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INTRODUCED BY:

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Report Title:

Transient Accommodations Tax

Description:

Removes the cap for distribution of transient accommodations tax revenues to the counties.

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