
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. Section 171-19, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:
3 "(a) There is created in the department a special fund to
4 be designated as the "special land and development fund".
5 Subject to the Hawaiian Homes Commission Act of 1920, as
6 amended, and section 5(f) of the Admission Act of 1959, all
7 proceeds of sale of public lands, including interest on deferred
8 payments; all moneys collected under section 171-58 for mineral
9 and water rights; all rents from leases, licenses, and permits
10 derived from public lands; all moneys collected from lessees of
11 public lands within industrial parks; all fees, fines, and other
12 administrative charges collected under this chapter and chapter
13 183C; a portion of the highway fuel tax collected under chapter
14 243; all moneys collected by the department for the commercial
15 use of public trails and trail accesses under the jurisdiction
16 of the department; transient accommodations tax revenues
17 collected pursuant to section [~~237D-6.5(b)(2)~~]; 237D-6.5(b)(5);
18 and private contributions for the management, maintenance, and



1 development of trails and accesses shall be set apart in the
2 fund and shall be used only as authorized by the legislature for
3 the following purposes:

- 4 (1) To reimburse the general fund of the State for
5 advances made that are required to be reimbursed from
6 the proceeds derived from sales, leases, licenses, or
7 permits of public lands;
- 8 (2) For the planning, development, management, operations,
9 or maintenance of all lands and improvements under the
10 control and management of the board[7] pursuant to
11 title 12, including but not limited to permanent or
12 temporary staff positions who may be appointed without
13 regard to chapter 76; provided that transient
14 accommodations tax revenues allocated to the fund
15 shall be expended as provided in section
16 237D-6.5(b)(5);
- 17 (3) To repurchase any land, including improvements, in the
18 exercise by the board of any right of repurchase
19 specifically reserved in any patent, deed, lease, or
20 other documents or as provided by law;



- 1 (4) For the payment of all appraisal fees; provided that
2 all fees reimbursed to the board shall be deposited in
3 the fund;
- 4 (5) For the payment of publication notices as required
5 under this chapter; provided that all or a portion of
6 the expenditures may be charged to the purchaser or
7 lessee of public lands or any interest therein under
8 rules adopted by the board;
- 9 (6) For the management, maintenance, and development of
10 trails and trail accesses under the jurisdiction of
11 the department;
- 12 (7) For the payment to private land developers who have
13 contracted with the board for development of public
14 lands under section 171-60;
- 15 (8) For the payment of debt service on revenue bonds
16 issued by the department, and the establishment of
17 debt service and other reserves deemed necessary by
18 the board;
- 19 (9) To reimburse the general fund for debt service on
20 general obligation bonds issued to finance
21 departmental projects, where the bonds are designated



1 to be reimbursed from the special land and development
2 fund;

3 (10) For the protection, planning, management, and
4 regulation of water resources under chapter 174C; and

5 (11) For other purposes of this chapter."

6 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
7 amended by amending subsection (b) to read as follows:

8 "(b) Revenues collected under this chapter shall be
9 distributed as follows, with the excess revenues to be deposited
10 into the general fund:

11 (1) \$26,500,000 shall be allocated to the convention
12 center enterprise special fund established under
13 section 201B-8;

14 (2) \$82,000,000 shall be allocated to the tourism special
15 fund established under section 201B-11; provided that:

16 (A) Beginning on July 1, 2012, and ending on June 30,
17 2015, \$2,000,000 shall be expended from the
18 tourism special fund for development and
19 implementation of initiatives to take advantage
20 of expanded visa programs and increased travel



1 opportunities for international visitors to
2 Hawaii;

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

4 (i) \$1,000,000 shall be allocated for the
5 operation of a Hawaiian center and the
6 museum of Hawaiian music and dance at the
7 Hawaii convention center; and

8 (ii) 0.5 per cent of the \$82,000,000 shall be
9 transferred to a sub-account in the tourism
10 special fund to provide funding for a safety
11 and security budget, in accordance with the
12 Hawaii tourism strategic plan 2005-2015; and

13 (C) Of the revenues remaining in the tourism special
14 fund after revenues have been deposited as
15 provided in this paragraph and except for any sum
16 authorized by the legislature for expenditure
17 from revenues subject to this paragraph,
18 beginning July 1, 2007, funds shall be deposited
19 into the tourism emergency trust fund,
20 established in section 201B-10, in a manner



1 sufficient to maintain a fund balance of
2 \$5,000,000 in the tourism emergency trust fund;
3 (3) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
4 for fiscal year 2015-2016, and \$93,000,000 for each
5 fiscal year thereafter shall be allocated as follows:
6 Kauai county shall receive 14.5 per cent, Hawaii
7 county shall receive 18.6 per cent, city and county of
8 Honolulu shall receive 44.1 per cent, and Maui county
9 shall receive 22.8 per cent; provided that commencing
10 with fiscal year 2018-2019, a sum that represents the
11 difference between a county public employer's annual
12 required contribution for the separate trust fund
13 established under section 87A-42 and the amount of the
14 county public employer's contributions into that trust
15 fund shall be retained by the state director of
16 finance and deposited to the credit of the county
17 public employer's annual required contribution into
18 that trust fund in each fiscal year, as provided in
19 section 87A-42, if the respective county fails to
20 remit the total amount of the county's required annual
21 contributions, as required under section 87A-43;



1 (4) \$3,000,000 shall be allocated to the Turtle Bay
2 conservation easement special fund established under
3 section 201B-8.6 for the payment of debt service on
4 revenue bonds, the proceeds of which were used to
5 acquire the conservation easement in Turtle Bay, Oahu,
6 until the bonds are fully amortized; and

7 (5) [~~Of the excess revenues deposited into the general~~
8 ~~fund pursuant to this subsection,~~] \$3,000,000 shall be
9 allocated [~~subject to the mutual agreement of the~~
10 ~~board of land and natural resources and the board of~~
11 ~~directors of the Hawaii tourism authority]~~ to the
12 special land and development fund established under
13 section 171-19, to be expended pursuant to title 12 in
14 accordance with the [Hawaii tourism authority] long-
15 range strategic plan for tourism developed by the
16 Hawaii tourism authority for:

17 (A) The protection, preservation, and enhancement of
18 natural resources important to the visitor
19 industry;

20 (B) Planning, construction, and repair of facilities;
21 and



1 (C) Operation and maintenance costs of [~~public lands~~]
2 state parks, beaches, and trails, and costs
3 associated with improving enforcement of
4 ancillary regulations, connected with enhancing
5 the visitor experience.

6 All transient accommodations taxes shall be paid into the
7 state treasury each month within ten days after collection and
8 shall be kept by the state director of finance in special
9 accounts for distribution as provided in this subsection.

10 As used in this subsection, "fiscal year" means the twelve-
11 month period beginning on July 1 of a calendar year and ending
12 on June 30 of the following calendar year."

13 SECTION 3. Statutory material to be repealed is bracketed
14 and stricken. New statutory material is underscored.

15 SECTION 4. This Act shall take effect upon its approval.



Report Title:

Transient Accommodations Tax; Special Land and Development Fund;
Board of Land and Natural Resources; Hawaii Tourism Authority

Description:

Allocates \$3,000,000 of transient accommodations tax revenues to
the special land and development fund to be expended in
accordance with the long-range strategic plan for tourism.
(SD1)

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