
A BILL FOR AN ACT

RELATING TO BEACH PROTECTION.

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

1 PART I

2 SECTION 1. The legislature finds that Hawaii's beaches are
3 important and unique components of the array of natural
4 resources that make our islands a special place for our
5 residents and an attractive destination for visitors. Recent
6 studies by researchers at the University of Hawaii indicate that
7 our beaches are disappearing at an alarming rate, with seventy
8 per cent of beaches undergoing chronic erosion, over thirteen
9 miles of beach completely lost to erosion, and inappropriate
10 shoreline development over the past century. Because of the
11 growing demand for the use of beaches, the State needs to
12 reinvest in its beaches, as one of its important and valuable
13 natural resources, to conserve and restore these important
14 assets by more efficiently distributing limited financial
15 resources.

16 The purpose of this part is to allocate transient
17 accommodations tax revenues to the special land and development



1 fund to finance beach restoration and conservation and other
2 activities authorized under section 237D-6.5(b) (5), Hawaii
3 Revised Statutes. This part takes effect on July 1, 2016.

4 SECTION 2. Section 171-19, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There is created in the department a special fund to
7 be designated as the "special land and development fund".

8 Subject to the Hawaiian Homes Commission Act of 1920, as
9 amended, and section 5(f) of the Admission Act of 1959, all
10 proceeds of sale of public lands, including interest on deferred
11 payments; all moneys collected under section 171-58 for mineral
12 and water rights; all rents from leases, licenses, and permits
13 derived from public lands; all moneys collected from lessees of
14 public lands within industrial parks; all fees, fines, and other
15 administrative charges collected under this chapter and chapter
16 183C; a portion of the highway fuel tax collected under chapter
17 243; all moneys collected by the department for the commercial
18 use of public trails and trail accesses under the jurisdiction
19 of the department; transient accommodations tax revenues
20 collected pursuant to section [~~237D-6.5(b)(2)+~~] 237D-6.5(b)(5);
21 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, including but not
11 limited to permanent or temporary staff positions who
12 may be appointed without regard to chapter 76;

13 (3) To repurchase any land, including improvements, in the
14 exercise by the board of any right of repurchase
15 specifically reserved in any patent, deed, lease, or
16 other documents or as provided by law;

17 (4) For the payment of all appraisal fees; provided that
18 all fees reimbursed to the board shall be deposited in
19 the fund;

20 (5) For the payment of publication notices as required
21 under this chapter; provided that all or a portion of



- 1 the expenditures may be charged to the purchaser or
2 lessee of public lands or any interest therein under
3 rules adopted by the board;
- 4 (6) For the management, maintenance, and development of
5 trails and trail accesses under the jurisdiction of
6 the department;
- 7 (7) For the payment to private land developers who have
8 contracted with the board for development of public
9 lands under section 171-60;
- 10 (8) For the payment of debt service on revenue bonds
11 issued by the department, and the establishment of
12 debt service and other reserves deemed necessary by
13 the board;
- 14 (9) To reimburse the general fund for debt service on
15 general obligation bonds issued to finance
16 departmental projects, where the bonds are designated
17 to be reimbursed from the special land and development
18 fund;
- 19 (10) For the protection, planning, management, and
20 regulation of water resources under chapter 174C; and
21 (11) For other purposes of this chapter."



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

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

6 (1) \$26,500,000 shall be allocated to the convention
7 center enterprise special fund established under
8 section 201B-8;

9 (2) \$82,000,000 shall be allocated to the tourism special
10 fund established under section 201B-11; provided that:

11 (A) Beginning on July 1, 2012, and ending on June 30,
12 2015, \$2,000,000 shall be expended from the
13 tourism special fund for development and
14 implementation of initiatives to take advantage
15 of expanded visa programs and increased travel
16 opportunities for international visitors to
17 Hawaii;

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

19 (i) \$1,000,000 shall be allocated for the
20 operation of a Hawaiian center and the



1 museum of Hawaiian music and dance at the
2 Hawaii convention center; and
3 (ii) 0.5 per cent of the \$82,000,000 shall be
4 transferred to a sub-account in the tourism
5 special fund to provide funding for a safety
6 and security budget, in accordance with the
7 Hawaii tourism strategic plan 2005-2015; and
8 (C) Of the revenues remaining in the tourism special
9 fund after revenues have been deposited as
10 provided in this paragraph and except for any sum
11 authorized by the legislature for expenditure
12 from revenues subject to this paragraph,
13 beginning July 1, 2007, funds shall be deposited
14 into the tourism emergency trust fund,
15 established in section 201B-10, in a manner
16 sufficient to maintain a fund balance of
17 \$5,000,000 in the tourism emergency trust fund;
18 (3) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
19 for fiscal year 2015-2016, and \$93,000,000 for each
20 fiscal year thereafter shall be allocated as follows:
21 Kauai county shall receive 14.5 per cent, Hawaii



1 county shall receive 18.6 per cent, city and county of
2 Honolulu shall receive 44.1 per cent, and Maui county
3 shall receive 22.8 per cent; provided that commencing
4 with fiscal year 2018-2019, a sum that represents the
5 difference between a county public employer's annual
6 required contribution for the separate trust fund
7 established under section 87A-42 and the amount of the
8 county public employer's contributions into that trust
9 fund shall be retained by the state director of
10 finance and deposited to the credit of the county
11 public employer's annual required contribution into
12 that trust fund in each fiscal year, as provided in
13 section 87A-42, if the respective county fails to
14 remit the total amount of the county's required annual
15 contributions, as required under section 87A-43;
16 (4) \$3,000,000 shall be allocated to the Turtle Bay
17 conservation easement special fund established under
18 section 201B-8.6 for the payment of debt service on
19 revenue bonds, the proceeds of which were used to
20 acquire the conservation easement in Turtle Bay, Oahu,
21 until the bonds are fully amortized; and



1 (5) ~~[Of the excess revenues deposited into the general~~
2 ~~fund pursuant to this subsection,]~~ \$3,000,000 shall be
3 allocated ~~[subject to the mutual agreement of the~~
4 ~~board of land and natural resources and the board of~~
5 ~~directors of the Hawaii tourism authority]~~ to the
6 special land and development fund established under
7 section 171-19; provided that the allocation shall be
8 expended in accordance with the Hawaii tourism
9 authority strategic plan for:

- 10 (A) The protection, preservation, maintenance, and
11 enhancement of natural resources, including
12 beaches, important to the visitor industry;
13 (B) Planning, construction, and repair of facilities;
14 and
15 (C) Operation and maintenance costs of public lands,
16 including beaches, connected with enhancing the
17 visitor experience.

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



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

4 PART II

5 SECTION 4. The purpose of this part is to appropriate
6 general funds to be expended in fiscal year 2014-2015 in
7 accordance with section 237D-6.5(b)(5), Hawaii Revised Statutes,
8 for visitor industry-related programs and projects.

9 The legislature finds that, for technical reasons, the
10 \$3,000,000 in general funds set aside from the transient
11 accommodations tax revenues under section 237D-6.5(b)(5), Hawaii
12 Revised Statutes, for fiscal year 2014-2015 for visitor
13 industry-related programs and projects cannot be expended. The
14 legislature further finds that the moneys set aside for fiscal
15 year 2014-2015 should be expended to implement the legislature's
16 policy decision to commence the set aside.

17 SECTION 5. There is appropriated out of the general
18 revenues of the State of Hawaii the sum of \$3,000,000 or so much
19 thereof as may be necessary for fiscal year 2014-2015 for the
20 following:



1 (1) The protection, preservation, maintenance, and
2 enhancement of natural resources, including beaches,
3 important to the visitor industry;

4 (2) Planning, construction, and repair of facilities; and

5 (3) Operation and maintenance costs of public lands,
6 including beaches, connected with enhancing the
7 visitor experience.

8 The sum appropriated shall be expended by the board of land
9 and natural resources, subject to mutual agreement with the
10 board of directors of the Hawaii tourism authority, in
11 accordance with the Hawaii tourism authority strategic plan.

12 SECTION 6. The appropriation in section 5 shall be deemed
13 an appropriation of the \$3,000,000 in general funds set aside
14 under section 237D-6.5(b)(5), Hawaii Revised Statutes, for
15 fiscal year 2014-2015.

16 PART III

17 SECTION 7. The purpose of this part is to appropriate
18 general funds to be expended in fiscal year 2015-2016 in
19 accordance with section 237D-6.5(b)(5), Hawaii Revised Statutes,
20 for visitor industry-related programs and projects.



1 The legislature finds that, for technical reasons, the
2 \$3,000,000 in general funds set aside from the transient
3 accommodations tax revenues under section 237D-6.5(b)(5), Hawaii
4 Revised Statutes, for visitor industry-related programs and
5 projects cannot be expended. The legislature further finds that
6 the moneys set aside for fiscal year 2015-2016 should be
7 expended to implement the policy decision of the legislature to
8 commence the set aside.

9 In part I of this Act, the legislature amends section 237D-
10 6.5(b)(5), Hawaii Revised Statutes, to deposit the \$3,000,000
11 into the special land and development fund for expenditure on
12 visitor industry-related programs and projects. The amendments
13 take effect on July 1, 2016. The legislature has delayed the
14 effective date in order to review the special land and
15 development fund during the interim between the regular sessions
16 of 2015 and 2016. The legislature finds that depositing the
17 revenues into the special land and development fund from July 1,
18 2015, may complicate the planned review of the fund.

19 SECTION 8. There is appropriated out of the general
20 revenues of the State of Hawaii the sum of \$3,000,000 or so much



1 thereof as may be necessary for fiscal year 2015-2016 for the
2 following:

- 3 (1) The protection, preservation, maintenance, and
4 enhancement of natural resources, including beaches,
5 important to the visitor industry;
- 6 (2) Planning, construction, and repair of facilities; and
- 7 (3) Operation and maintenance costs of public lands,
8 including beaches, connected with enhancing the
9 visitor experience.

10 The sum appropriated shall be expended by the board of land
11 and natural resources in accordance with the Hawaii tourism
12 authority strategic plan.

13 Notwithstanding section 237D-6.5(b)(5), Hawaii Revised
14 Statutes, the board of land and natural resources may expend the
15 appropriation without the agreement of the board of directors of
16 the Hawaii tourism authority.

17 SECTION 9. The appropriation in section 8 shall be deemed
18 an appropriation of the \$3,000,000 in general funds set aside
19 under section 237D-6.5(b)(5), Hawaii Revised Statutes, for
20 fiscal year 2015-2016.



Report Title:

Transient Accommodations Tax; Special Land and Development Fund;
Appropriation

Description:

Authorizes the use of certain transient accommodations tax revenues for beach restoration and conservation. Makes appropriations for fiscal year 2014-2015 and 2015-2016. Effective upon approval, except for part 1 which is effective 7/1/2016. (CD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

