
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 legislature finds that the transient
2 accommodations tax provides critical funding to support State
3 and county needs associated with increased tourism throughout
4 our State. The legislature further finds that increased
5 visitors causes a strain on state and county resources, creating
6 higher demands and necessary costs for infrastructure and
7 services, providing greater opportunities to engage in
8 infrastructure investments surrounding tourism, that creates
9 much needed job opportunities as counties address their
10 infrastructure needs associated with tourism.

11 The purpose of this Act is to remove the cap on the
12 counties' shares of the transient accommodations tax so that the
13 counties can adequately address the tourism-related
14 infrastructure and services needs in a more directly
15 proportional connection to funding.

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



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

4 (1) \$26,500,000 shall be allocated to the convention
5 center enterprise special fund established under
6 section 201B-8;

7 (2) \$82,000,000 shall be allocated to the tourism special
8 fund established under section 201B-11; provided that:

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

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

17 (i) \$1,000,000 shall be allocated for the
18 operation of a Hawaiian center and the
19 museum of Hawaiian music and dance at the
20 Hawaii convention center; and



H.B. NO. 403

- 1 (ii) 0.5 per cent of the \$82,000,000 shall be
2 transferred to a sub-account in the tourism
3 special fund to provide funding for a safety
4 and security budget, in accordance with the
5 Hawaii tourism strategic plan 2005-2015; and
- 6 (C) Of the revenues remaining in the tourism special
7 fund after revenues have been deposited as
8 provided in this paragraph and except for any sum
9 authorized by the legislature for expenditure
10 from revenues subject to this paragraph,
11 beginning July 1, 2007, funds shall be deposited
12 into the tourism emergency trust fund,
13 established in section 201B-10, in a manner
14 sufficient to maintain a fund balance of
15 \$5,000,000 in the tourism emergency trust fund;
- 16 (3) [~~\$103,000,000 for fiscal year 2014-2015, \$103,000,000~~
17 ~~for fiscal year 2015-2016, and \$93,000,000 for each~~
18 ~~fiscal year thereafter~~] 44.8 per cent of the revenues
19 collected under this chapter shall be allocated as
20 follows to the counties, for the counties to address
21 the visitor industry impacts on county services and



1 tourism-related infrastructure: Kauai county shall
2 receive 14.5 per cent, Hawaii county shall receive
3 18.6 per cent, city and county of Honolulu shall
4 receive 44.1 per cent, and Maui county shall receive
5 22.8 per cent; provided that commencing with fiscal
6 year 2018-2019, a sum that represents the difference
7 between a county public employer's annual required
8 contribution for the separate trust fund established
9 under section 87A-42 and the amount of the county
10 public employer's contributions into that trust fund
11 shall be retained by the state director of finance and
12 deposited to the credit of the county public
13 employer's annual required contribution into that
14 trust fund in each fiscal year, as provided in section
15 87A-42, if the respective county fails to remit the
16 total amount of the county's required annual
17 contributions, as required under section 87A-43; and
18 (4) Of the excess revenues deposited into the general fund
19 pursuant to this subsection, \$3,000,000 shall be
20 allocated subject to the mutual agreement of the board
21 of land and natural resources and the board of



1 directors of the Hawaii tourism authority in
2 accordance with the Hawaii tourism authority strategic
3 plan for:

4 (A) The protection, preservation, and enhancement of
5 natural resources important to the visitor
6 industry;

7 (B) Planning, construction, and repair of facilities;
8 and

9 (C) Operation and maintenance costs of public lands
10 connected with enhancing the visitor experience.

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

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

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2015.

INTRODUCED BY: 



H.B. NO. 403

A. Lopez
~~J. M. M. M.~~

Felbi Ponce

Ben Ward

JAN 23 2015



H.B. NO. 403

Report Title:

Transient Accommodations Tax; Counties; Revenues

Description:

Removes the current cap on transient accommodations tax revenues to be distributed to the counties and establishes the distribution of these revenues as a percentage of TAT collected for infrastructure and services related to increased tourism.

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

