

JAN 19 2018

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# 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  
2 established for the distribution of transient accommodations tax  
3 revenues to the counties.

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

6           "(b) Except for the revenues collected pursuant to section  
7 237D-2(e), revenues collected under this chapter shall be  
8 distributed in the following priority, with the excess revenues  
9 to be deposited into the general fund:

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



1 protection, preservation, and enhancement of natural  
2 resources important to the State, until the bonds are  
3 fully amortized;

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

7 (3) \$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



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 special 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 special fund;  
16   (4) ~~[\$103,000,000]~~ 44.8 per cent of the revenues collected  
17       under this chapter, after revenues have been deposited  
18       as provided in this section, shall be allocated to the  
19       counties and distributed as follows: Kauai county  
20       shall receive 14.5 per cent, Hawaii county shall  
21       receive 18.6 per cent, city and county of Honolulu



1 shall receive 44.1 per cent, and Maui county shall  
2 receive 22.8 per cent; provided that commencing with  
3 fiscal year 2018-2019, a sum that represents the  
4 difference between a county public employer's annual  
5 required contribution for the separate trust fund  
6 established under section 87A-42 and the amount of the  
7 county public employer's contributions into that trust  
8 fund shall be retained by the state director of  
9 finance and deposited to the credit of the county  
10 public employer's annual required contribution into  
11 that trust fund in each fiscal year, as provided in  
12 section 87A-42, if the respective county fails to  
13 remit the total amount of the county's required annual  
14 contributions, as required under section 87A-43; and  
15 (5) \$3,000,000 shall be allocated to the special land and  
16 development fund established under section 171-19;  
17 provided that the allocation shall be expended in  
18 accordance with the Hawaii tourism authority strategic  
19 plan for:



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

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

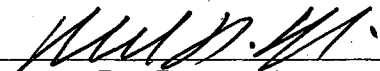
13 As used in this subsection, "fiscal year" means the twelve-  
14 month period beginning on July 1 of a calendar year and ending  
15 on June 30 of the following calendar year."

16 SECTION 3. Statutory material to be repealed is bracketed  
17 and stricken. New statutory material is underscored.

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

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INTRODUCED BY: \_\_\_\_\_

  
By Request



# S.B. NO. 2159

**Report Title:**

Hawaii State Association of Counties Package; Transient Accommodations Tax

**Description:**

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

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

