RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

SECTION 1. The legislature finds that Hawaii continues to be one of the top destinations for vacationers. In 2016, the State of Hawaii saw 8,821,802 visitors, and that number is projected to increase to 9,562,109 in 2018 and 9,847,610 in 2020. As the number of visitors continues to grow, more strain is put on the State's facilities, such as state parks, trails, small boat harbor facilities, and other natural areas that are operated and maintained by the department of land and natural resources. The legislature believes that given the continued growth of visitors, more investment is needed in Hawaii's natural resources and environment.

The purpose of this Act is to increase the allocation of funds from transient accommodations tax revenue to the special land and development fund, in order to improve certain state facilities.

SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:
"(b) Except for the revenues collected pursuant to section 237D-2(e), revenues collected under this chapter shall be distributed in the following priority, with the excess revenues to be deposited into the general fund:

(1) $1,500,000 shall be allocated to the Turtle Bay conservation easement special fund beginning July 1, 2015, for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds, the proceeds of which were used to acquire the conservation easement and other real property interests in Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources important to the State, until the bonds are fully amortized;

(2) $16,500,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;

(3) $79,000,000 shall be allocated to the tourism special fund established under section 201B-11; provided that:
(A) Beginning on July 1, 2012, and ending on June 30, 2015, $2,000,000 shall be expended from the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;

(B) Of the $79,000,000 allocated:

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

   (ii) 0.5 per cent of the $79,000,000 shall be transferred to a sub-account in the tourism special fund to provide funding for a safety and security budget, in accordance with the Hawaii tourism strategic plan 2005-2015; and

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

(4) $103,000,000 shall be allocated as follows: Kauai
county shall receive 14.5 per cent, Hawaii county
shall receive 18.6 per cent, city and county of
Honolulu shall receive 44.1 per cent, and Maui county
shall receive 22.8 per cent; provided that commencing
with fiscal year 2018-2019, a sum that represents the
difference between a county public employer's annual
required contribution for the separate trust fund
established under section 87A-42 and the amount of the
county public employer's contributions into that trust
fund shall be retained by the state director of
finance and deposited to the credit of the county
public employer's annual required contribution into
that trust fund in each fiscal year, as provided in
section 87A-42, if the respective county fails to
remit the total amount of the county's required annual
contributions, as required under section 87A-43; and

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

(A) The protection, preservation, maintenance, and
    enhancement of natural resources, including state
    parks, beaches, and trails important to the
    visitor industry;

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

and

(C) Operation and maintenance, and enforcement
    costs of public lands, including state parks,
    beaches, and trails connected with enhancing the
    visitor experience.

All transient accommodations taxes shall be paid into the
state treasury each month within ten days after collection and
shall be kept by the state director of finance in special
accounts for distribution as provided in this subsection.
As used in this subsection, "fiscal year" means the twelve-month period beginning on July 1 of a calendar year and ending on June 30 of the following calendar year."

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

SECTION 4. This Act shall take effect on July 1, 2019.
Report Title:
Transient Accommodations Tax Revenue; Special Land and Development Fund

Description:
Increases the allocation of funds from transient accommodations tax revenue to the special land and development fund to improve certain state resources and services.

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