A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

SECTION 1. 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) $3,000,000 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 beaches, important to the visitor industry;

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

and

(C) Operation and maintenance costs of public lands, including beaches, connected with enhancing the visitor experience;

(4) $82,000,000 shall be allocated to the tourism special fund established under section 201B-11[+], which shall be adjusted annually to reflect the percentage change in the Consumer Price Index for all Urban Consumers published by the Bureau
of Labor Statistics of the federal Department of Labor; 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] amount allocated to the tourism special fund:

(i) $1,000,000 shall be allocated for the operation of a Hawaiian center and the museum of Hawaiian music and dance; 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;
and
[(4)] (5) [$103,000,000] Of the excess revenues collected
under this chapter:

(A) Forty-five per cent 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
(B) Fifty-five per cent shall be deposited to the
general fund.

(A) The protection, preservation, maintenance, and
enhancement of natural resources, including
beaches, important to the visitor industry;
(B) Planning, construction, and repair of facilities;

and

(C) Operation and maintenance costs of public lands, including beaches, 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 2. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 3. This Act shall take effect on July 1, 2020.
Report Title:
Maui County Package; Transient Accommodations Tax; Allocations

Description:
Amends the allocation of transient accommodations tax revenues, based upon the recommendations of the State-County Functions Working Group established by Act 174, Session Laws of Hawaii 2014, to consider the distribution of duties and responsibilities for public services between the State and the counties and to recommend a model for the allocation of transient accommodations tax revenues.

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