

# HOUSE OF REPRESENTATIVES

AMENDMENT TO: S.B. No. 1183, S.D. 2, H.D. 2, C.D. 1OFFERED BY: DATE: MAY 2, 2017

SECTION 1. Senate Bill No. 1183, H.D. 2, S.D. 2, C.D. 1, is amended as follows.

1. In section 1 of the bill, by adding a provision to authorize a county that has adopted a surcharge on state tax to extend the surcharge for one additional year, to December 31, 2028;

2. In section 6 of the bill, by clarifying that nothing in that section shall be construed as prohibiting the use of county funds that are not derived from a surcharge on state tax for operating costs of a mass transit project or administrative costs;

3. In section 8 of the bill, by:

- A. Reducing the temporary increase in the transient accommodations tax from 2.75 per cent to 1 per cent, so that the rate shall be 10.25 per cent for the period beginning on January 1, 2018, to December 31, 2028;
- B. Reducing from \$50,000,000 to \$25,000,000 the annual allocation of revenue from the increased transient accommodations tax to the New Start Education Special Fund; and
- C. Clarifying that revenues from a county surcharge on state tax shall be used only for the capital costs of a mass transit project and shall not be used for operating costs of a mass transit project or administrative costs;

4. In section 9 of the bill, by:

- A. Providing that all transient accommodations tax revenue that is otherwise remitted to the City and County of Honolulu shall be used only for capital costs of a mass transit project and shall not be used for operating costs of a mass transit project or administrative costs; and
- B. Increasing from \$93,000,000 to \$103,000,000 the transient accommodations tax revenue that shall be allocated to the counties from fiscal year 2018-2019 through fiscal year 2027-2028;

5. In section 10 of the bill, by deleting the purpose section and replacing it with the following:

"The legislature finds that the construction of publicly funded major mass transit projects place a substantial burden on taxpayers, especially when those projects far exceed the initial cost estimates that were provided to taxpayers. The legislature also finds that such financial burdens are a matter of statewide concern that fall under its purview pursuant to article VIII, section 6, of the Hawaii State Constitution and that impositions of such financial burdens imposed upon taxpayers at any single time should be limited. Plans to renovate or redevelop large public event venues generally require significant amounts of taxpayer money, and imposing that additional burden on taxpayers through the issuance of general obligation bonds or other financing mechanisms available to political subdivisions, which are funded by tax revenues, is not prudent in counties that are already imposing substantial financial burdens on taxpayers to fund major mass transit projects.

Accordingly, the purpose of this part is to prohibit a county that is collecting a general excise tax surcharge to fund capital costs of a locally preferred alternative for a mass transit project from using public funds to reconstruct or redevelop an event venue that is within a Hawaii community development authority community development district or in a manner that requires Hawaii community development authority approval.

It is not the intent of the legislature in enacting this part to prohibit any county from reconstructing or redeveloping an event venue within a Hawaii community development district with other than public financing.";

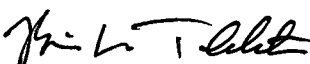
6. In section 11 of the bill, by adding provisions that accomplish the purpose described in section 10 of the bill;

7. By adding a new section 13 to the bill to provide that the bill shall not be construed to prohibit the use of funds generated by a county for purposes not prohibited by state law;

8. By adding a new section 14 to the bill to provide that the bill does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date;

9. By making conforming amendments to the effective date provisions of the bill; and

10. By renumbering sections of the bill accordingly.

<u>X</u>		
CARRIED	FAILED TO CARRY	WITHDRAWN
		
CHIEF CLERK, HOUSE OF REPRESENTATIVES		