
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The legislature finds that Hawaii has long been
2 a top destination for vacationers. In 2016, the State of Hawaii
3 saw 8,821,802 visitors, and that number was projected to
4 increase to 9,562,109 in 2018 and 9,847,610 in 2020. Only the
5 global pandemic of 2020 reduced the number of visitors to
6 Hawaii. The historically large number of visitors has placed
7 increased strain on State facilities, such as parks, trails,
8 small boat harbor facilities, and natural areas that are
9 operated and maintained by the department of land and natural
10 resources.

11 The legislature believes that more investment is needed in
12 Hawaii's natural resources and environment, and the present
13 downturn in the number of visitors provides an opportunity for
14 the state, counties, local businesses, and the various island
15 communities to re-examine the scope and structure of Hawaii's
16 tourism industry and the allocation of public funding from the
17 visitor industry.



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

5 SECTION 2. Section 237D-8.5, Hawaii Revised Statutes, is
6 amended by amending subsection (b) to read as follows:

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

11 (1) \$1,500,000 shall be allocated to the Turtle Bay
12 conservation easement special fund beginning July 1,
13 2015, for the reimbursement to the state general fund
14 of debt service on reimbursable general obligation
15 bonds, including ongoing expenses related to the
16 issuance of the bonds, the proceeds of which were used
17 to acquire the conservation easement and other real
18 property interests in Turtle Bay, Oahu, for the
19 protection, preservation, and enhancement of natural
20 resources important to the State, until the bonds are
21 fully amortized;



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- 1 (2) \$16,500,000 shall be allocated to the convention
- 2 center enterprise special fund established under
- 3 section 201B-8;
- 4 (3) \$79,000,000 shall be allocated to the tourism special
- 5 fund established under section 201B-11; provided that:
- 6 (A) Beginning on July 1, 2012, and ending on June 30,
- 7 2015, \$2,000,000 shall be expended from the
- 8 tourism special fund for development and
- 9 implementation of initiatives to take advantage
- 10 of expanded visa programs and increased travel
- 11 opportunities for international visitors to
- 12 Hawaii;
- 13 (B) Of the \$79,000,000 allocated:
- 14 (i) \$1,000,000 shall be allocated for the
- 15 operation of a Hawaiian center and the
- 16 museum of Hawaiian music and dance at the
- 17 Hawaii convention center; and
- 18 (ii) 0.5 per cent of the \$79,000,000 shall be
- 19 transferred to a sub-account in the tourism
- 20 special fund to provide funding for a safety



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1 and security budget, in accordance with the
2 Hawaii tourism strategic plan 2005-2015; and
3 (C) Of the revenues remaining in the tourism special
4 fund after revenues have been deposited as
5 provided in this paragraph and except for any sum
6 authorized by the legislature for expenditure
7 from revenues subject to this paragraph,
8 beginning July 1, 2007, funds shall be deposited
9 into the tourism emergency special fund,
10 established in section 201B-10, in a manner
11 sufficient to maintain a fund balance of
12 \$5,000,000 in the tourism emergency special fund;
13 (4) \$103,000,000 shall be allocated as follows: Kauai
14 county shall receive 14.5 per cent, Hawaii county
15 shall receive 18.6 per cent, city and county of
16 Honolulu shall receive 44.1 per cent, and Maui county
17 shall receive 22.8 per cent; provided that commencing
18 with fiscal year 2018-2019, a sum that represents the
19 difference between a county public employer's annual
20 required contribution for the separate trust fund
21 established under section 87A-42 and the amount of the



1 county public employer's contributions into that trust
2 fund shall be retained by the state director of
3 finance and deposited to the credit of the county
4 public employer's annual required contribution into
5 that trust fund in each fiscal year, as provided in
6 section 87A-42, if the respective county fails to
7 remit the total amount of the county's required annual
8 contributions, as required under section 87A-43; and
9 (5) [~~\$3,000,000~~] \$5,000,000 shall be allocated to the
10 special land and development fund established under
11 section 171-19; provided that the allocation shall be
12 expended in accordance with the Hawaii tourism
13 authority strategic plan for:
14 (A) The protection, preservation, maintenance, and
15 enhancement of natural resources, including state
16 parks, beaches, and trails important to the
17 visitor industry;
18 (B) Planning, construction, and repair of facilities;
19 and
20 (C) Operation [~~and~~], maintenance, and enforcement
21 costs of public lands, including state parks,



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1 beaches, and trails connected with enhancing the
2 visitor experience.

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

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

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

12 SECTION 4. This Act shall take effect on July 1, 2021.

13

INTRODUCED BY: 
JAN 22 2021

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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.

