HOUSE RESOLUTION

URGING THE GOVERNOR TO PRESERVE THE COUNTIES' SHARE OF THE TRANSIENT ACCOMMODATIONS TAX.

WHEREAS, the transient accommodations tax is a tax levied by the State on the proceeds derived from furnishing transient accommodations; and

WHEREAS, Act 185, Session Laws of Hawaii 1990, gave the counties a share of the transient accommodations tax; and

WHEREAS, according to Conference Committee Report No. 207 (1990), the purpose of Act 185 was to provide a more equitable method of sharing state revenues with the counties, rather than continuing with the system that existed at the time whereby the counties requested financial assistance through grants-in-aid from the State; and

WHEREAS, the county share of the tax also provides more stability to county finances and enables improved budgeting and planning; and

WHEREAS, currently, 44.8% of the total transient accommodations tax collected by the State is distributed to the counties and, of this amount, the revenue is allocated as follows:

Kauai County	14.5%
Hawaii County	18.6%
City and County of Honolulu	44.1%
Maui County	22.8%
	100.0%

and

WHEREAS, on Kauai, the transient accommodations tax accounts for approximately 7.8% of Kauai's general fund budget; on Hawaii, the transient accommodations tax accounts for approximately 5.5% of Hawaii County's general fund budget; on Maui, the transient accommodations tax accounts for approximately 3.9% of Maui's general fund budget; and on Oahu, the transient accommodations tax accounts for approximately 3.2% of Honolulu's general fund budget; and

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WHEREAS, maintaining the current allocation of the transient accommodations tax would allow the counties to continue providing essential government services to visitors and residents; and

WHEREAS, losing the current allocation of the transient accommodations tax would require counties to significantly raise property taxes; now, therefore,

BE IT RESOLVED by the House of Representatives of the Twenty-sixth Legislature of the State of Hawaii, Regular Session of 2011, that the Governor is urged to preserve the counties' share of the transient accommodations tax; and

BE IT FURTHER RESOLVED that certified copies of this Resolution be transmitted to the Governor, the President of the Hawaii State Association of Counties, and the Mayors of the counties of Kauai, Hawaii, Maui, and the City and County of Honolulu.

OFFERED BY:

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