S.R. NO. 3

JAN 1 8 2012

## SENATE RESOLUTION

URGING THE GOVERNOR AND THE LEGISLATURE OF THE STATE OF HAWAII
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, in the 1990 legislative session, the Hawaii State Legislature enacted Act 185 which gave the counties a share of the transient accommodations tax; and

WHEREAS, according to Conference Committee Report 207, 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 existing 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

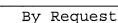
WHEREAS, currently, 44.8% of the total transient accommodations tax collected by the state is distributed to the counties; of this amount, the revenue is allocated as follows:

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

and

WHEREAS, the transient accommodations tax revenues account 1 for a significant portion of the counties' general fund budgets; 2 3 and 4 5 WHEREAS, maintaining the current allocation of the transient accommodations tax would allow the counties to 6 continue providing essential government services to visitors and 7 8 residents; and 9 WHEREAS, losing the current allocation of the transient 10 accommodations tax would require counties to significantly raise 11 property taxes; now, therefore, 12 13 BE IT RESOLVED by the Senate of the Twenty-seventh 14 Legislature of the State of Hawaii, Regular Session 2012, that 15 the Governor and the Legislature are urged to preserve the 16 counties' share of the transient accommodations tax; and 17 18 BE IT FURTHER RESOLVED that certified copies of this 19 Resolution be transmitted to the Governor, the President of the 20 21 Senate, the President of the Hawaii State Association of Counties, and the Mayors of the counties of Kauai, Hawaii, 22

OFFERED BY:



Honolulu, and Maui.