
A BILL FOR AN ACT

RELATING TO PROTECTION OF NATURAL RESOURCES.

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

1 SECTION 1. In 2015, 4,656,465 visitors to Hawaii used a
2 hotel as their sole accommodation and 1,180,114 visitors used a
3 condominium as their sole accommodation. The legislature finds
4 that imposing a \$20 tax on each person who uses a transient
5 accommodation in Hawaii could generate over \$100,000,000 per
6 year, which could be used to fund hundreds of long-term and
7 sustainable jobs for conservation and education efforts, which
8 will protect Hawaii's lands and natural resources for
9 generations.

10 The purpose of this Act is to impose a per person tax on
11 transient accommodations for the purpose of funding conservation
12 efforts.

13 SECTION 2. Section 237D-2, Hawaii Revised Statutes, is
14 amended to read as follows:

15 "**§237D-2 Imposition and rates.** (a) There is levied and
16 shall be assessed and collected each month a tax of:



- 1 (1) Five per cent for the period beginning on January 1,
2 1987, to June 30, 1994;
- 3 (2) Six per cent for the period beginning on July 1, 1994,
4 to December 31, 1998;
- 5 (3) 7.25 per cent for the period beginning on January 1,
6 1999, to June 30, 2009;
- 7 (4) 8.25 per cent for the period beginning on July 1,
8 2009, to June 30, 2010; and
- 9 (5) 9.25 per cent for the period beginning on July 1,
10 2010, and thereafter;

11 on the gross rental or gross rental proceeds derived from
12 furnishing transient accommodations.

13 (b) Every operator shall ~~pay~~:

14 (1) Pay to the State the tax imposed by subsection (a) [7];

15 and

16 (2) Be liable for and pay to the State the tax imposed by
17 subsection (e),

18 as provided in this chapter.

19 (c) There is levied and shall be assessed and collected
20 each month, on the occupant of a resort time share vacation
21 unit, a transient accommodations tax of:



1 (1) 7.25 per cent on the fair market rental value until
2 December 31, 2015;

3 (2) 8.25 per cent on the fair market rental value for the
4 period beginning on January 1, 2016, to December 31,
5 2016; and

6 (3) 9.25 per cent on the fair market rental value for the
7 period beginning on January 1, 2017, and thereafter.

8 (d) Every plan manager shall be liable for and pay to the
9 State the transient accommodations tax imposed by subsection (c)
10 as provided in this chapter. Every resort time share vacation
11 plan shall be represented by a plan manager who shall be subject
12 to this chapter.

13 (e) In addition to the tax imposed pursuant to subsection
14 (a), there is levied and shall be assessed and collected a tax
15 of \$20 on each guest of transient accommodations beginning on
16 July 1, 2017, and thereafter; provided that the tax imposed
17 pursuant to this subsection shall not be imposed on the same
18 person more than once in any one hundred eighty-day period."

19 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
20 amended by amending subsection (b) to read as follows:



1 "(b) Revenues collected under this chapter shall be
2 distributed in the following priority, with the excess revenues
3 to be deposited into the general fund:

4 (1) \$1,500,000 shall be allocated to the Turtle Bay
5 conservation easement special fund beginning July 1,
6 2015, for the reimbursement to the state general fund
7 of debt service on reimbursable general obligation
8 bonds, including ongoing expenses related to the
9 issuance of the bonds, the proceeds of which were used
10 to acquire the conservation easement and other real
11 property interests in Turtle Bay, Oahu, for the
12 protection, preservation, and enhancement of natural
13 resources important to the State, until the bonds are
14 fully amortized;

15 (2) \$26,500,000 shall be allocated to the convention
16 center enterprise special fund established under
17 section 201B-8;

18 (3) \$82,000,000 shall be allocated to the tourism special
19 fund established under section 201B-11; provided that:

20 (A) Beginning on July 1, 2012, and ending on June 30,
21 2015, \$2,000,000 shall be expended from the



1 tourism special fund for development and
2 implementation of initiatives to take advantage
3 of expanded visa programs and increased travel
4 opportunities for international visitors to
5 Hawaii;

6 (B) Of the \$82,000,000 allocated:

7 (i) \$1,000,000 shall be allocated for the
8 operation of a Hawaiian center and the
9 museum of Hawaiian music and dance at the
10 Hawaii convention center; and

11 (ii) 0.5 per cent of the \$82,000,000 shall be
12 transferred to a sub-account in the tourism
13 special fund to provide funding for a safety
14 and security budget, in accordance with the
15 Hawaii tourism strategic plan 2005-2015; and

16 (C) Of the revenues remaining in the tourism special
17 fund after revenues have been deposited as
18 provided in this paragraph and except for any sum
19 authorized by the legislature for expenditure
20 from revenues subject to this paragraph,
21 beginning July 1, 2007, funds shall be deposited



1 into the tourism emergency special fund,
2 established in section 201B-10, in a manner
3 sufficient to maintain a fund balance of
4 \$5,000,000 in the tourism emergency special fund;
5 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
6 for fiscal year 2015-2016, \$103,000,000 for fiscal
7 year 2016-2017, and \$93,000,000 for each fiscal year
8 thereafter shall be allocated as follows: Kauai
9 county shall receive 14.5 per cent, Hawaii county
10 shall receive 18.6 per cent, city and county of
11 Honolulu shall receive 44.1 per cent, and Maui county
12 shall receive 22.8 per cent; provided that commencing
13 with fiscal year 2018-2019, a sum that represents the
14 difference between a county public employer's annual
15 required contribution for the separate trust fund
16 established under section 87A-42 and the amount of the
17 county public employer's contributions into that trust
18 fund shall be retained by the state director of
19 finance and deposited to the credit of the county
20 public employer's annual required contribution into
21 that trust fund in each fiscal year, as provided in



1 section 87A-42, if the respective county fails to
2 remit the total amount of the county's required annual
3 contributions, as required under section 87A-43; and
4 (5) [~~\$3,000,000~~] \$103,000,000 shall be allocated to the
5 special land and development fund established under
6 section 171-19; provided that the allocation shall be
7 expended in accordance with the Hawaii tourism
8 authority strategic plan for:

- 9 (A) The protection, preservation, maintenance, and
10 enhancement of natural resources, including
11 beaches, important to the visitor industry;
- 12 (B) Planning, construction, and repair of facilities;
13 and
- 14 (C) Operation and maintenance costs of public lands,
15 including beaches, connected with enhancing the
16 visitor experience.

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



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

4 SECTION 4. New statutory material is underscored.

5 SECTION 5. This Act shall take effect on July 1, 2017.

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H.B. NO. 1453

Report Title:

Tourism; Visitors; Conservation; Special Land and Development Fund; Transient Accommodations Tax; Hotel; Condominium

Description:

Imposes a \$20 per guest tax on users of transient accommodations for the purposes of funding conservation efforts.

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