
A BILL FOR AN ACT

RELATING TO TOURISM.

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

1 SECTION 1. Notwithstanding any agreement between the
2 Hawaii tourism authority and the State of the indebtedness of
3 the Hawaii tourism authority in connection with any general
4 obligation bonds issued pursuant to Act 7, Special Session Laws
5 of Hawaii 1993, that is outstanding as of the effective date of
6 this Act, an amount of \$192,450,289 or so much thereof as may be
7 owed is hereby canceled. To the extent of the amount canceled,
8 the Hawaii tourism authority is relieved of all liability to the
9 State under any agreement, including for any interest due under
10 any agreement and any other fees and charges payable in
11 connection with any agreement, and the total amount of the
12 agreement owed to the State pursuant to any law or agreement
13 shall be considered to be reduced by that amount. The amount of
14 the indebtedness canceled under this section may be treated as a
15 public debt of the State.

16 SECTION 2. Section 201B-8, Hawaii Revised Statutes, is
17 amended by amending subsection (b) to read as follows:



1 "(b) Moneys in the convention center enterprise special
2 fund shall be used by the authority for the payment of [~~any and~~
3 ~~all of the following:~~

4 ~~(1) Debt owed to the department of budget and finance~~
5 ~~relating to the convention center; and~~

6 ~~(2) Expenses]~~ expenses arising from any and all use,
7 operation, maintenance, alteration, improvement, or
8 any unforeseen or unplanned repairs of the convention
9 center, including without limitation the food and
10 beverage service and parking service provided at the
11 convention center facility, the sale of souvenirs,
12 logo items, or other items, for any future major
13 repair, maintenance, and improvement of the convention
14 center facility as a commercial enterprise or as a
15 world class facility for conventions, entertainment,
16 or public events, and for marketing the facility
17 pursuant to section 201B-7(a)(7)."

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

20 "(b) Except for the revenues collected pursuant to section
21 237D-2(e), revenues collected under this chapter shall be



1 distributed in the following priority, with the excess revenues
2 to be deposited into the general fund:

3 (1) \$1,500,000 shall be allocated to the Turtle Bay
4 conservation easement special fund beginning July 1,
5 2015, for the reimbursement to the state general fund
6 of debt service on reimbursable general obligation
7 bonds, including ongoing expenses related to the
8 issuance of the bonds, the proceeds of which were used
9 to acquire the conservation easement and other real
10 property interests in Turtle Bay, Oahu, for the
11 protection, preservation, and enhancement of natural
12 resources important to the State, until the bonds are
13 fully amortized;

14 (2) [~~\$26,500,000~~] \$16,500,000 shall be allocated to the
15 convention center enterprise special fund established
16 under section 201B-8;

17 (3) [~~\$82,000,000~~] \$79,000,000 shall be allocated to the
18 tourism special fund established under section 201B-
19 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~~] \$79,000,000 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~~]
12 \$79,000,000 shall be transferred to a sub-
13 account in the tourism special fund to
14 provide funding for a safety and security
15 budget, in accordance with the Hawaii
16 tourism strategic plan 2005-2015; and

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



1 beginning July 1, 2007, funds shall be deposited
2 into the tourism emergency special fund,
3 established in section 201B-10, in a manner
4 sufficient to maintain a fund balance of
5 \$5,000,000 in the tourism emergency special fund;
6 (4) \$103,000,000 shall be allocated as follows: Kauai
7 county shall receive 14.5 per cent, Hawaii county
8 shall receive 18.6 per cent, city and county of
9 Honolulu shall receive 44.1 per cent, and Maui county
10 shall receive 22.8 per cent; provided that commencing
11 with fiscal year 2018-2019, a sum that represents the
12 difference between a county public employer's annual
13 required contribution for the separate trust fund
14 established under section 87A-42 and the amount of the
15 county public employer's contributions into that trust
16 fund shall be retained by the state director of
17 finance and deposited to the credit of the county
18 public employer's annual required contribution into
19 that trust fund in each fiscal year, as provided in
20 section 87A-42, if the respective county fails to



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

8 (A) The protection, preservation, maintenance, and
9 enhancement of natural resources, including
10 beaches, important to the visitor industry;

11 (B) Planning, construction, and repair of facilities;
12 and

13 (C) Operation and maintenance costs of public lands,
14 including beaches, connected with enhancing the
15 visitor experience.

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

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. There is appropriated out of the general
5 revenues of the State of Hawaii the sum of \$1,000,000 or so much
6 thereof as may be necessary for fiscal year 2018-2019 for the
7 Hawaii tourism authority to implement initiatives, in
8 conjunction with the Hawaii lodging and tourism association, to
9 address homelessness in tourist and resort areas; provided that
10 no funds shall be released unless matched dollar-for-dollar by
11 the private sector.

12 The sum appropriated shall be expended by the department of
13 business, economic development, and tourism for the purposes of
14 this Act.

15 SECTION 5. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 6. This Act shall take effect on July 1, 2018.



Report Title:

HTA; Debt Cancellation; Transient Accommodations Tax; Convention Center Enterprise Special Fund; Tourism Special Fund; Appropriation

Description:

Cancels the debt owed to the State by the Hawaii Tourism Authority for convention center construction costs and related interest. Amends the allocations of transient accommodations tax revenues to the convention center enterprise special fund and tourism special fund. Appropriates moneys for the Hawaii Tourism Authority to implement initiatives, in conjunction with the Hawaii Lodging and Tourism Association, to address homelessness in tourist and resort areas; provided that the funds are matched dollar-for-dollar by the private sector.
(CD1)

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