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# 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.   Section 237D-6.5, Hawaii Revised Statutes, is  
2   amended by amending subsection (b) to read as follows:

3       "(b)   Except for the revenues collected pursuant to section  
4   237D-2(e), revenues collected under this chapter shall be  
5   distributed in the following priority, with the excess revenues  
6   to be deposited into the general fund:

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



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

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

(A) Beginning on July 1, 2012, and ending on June 30, 2015, \$2,000,000 shall be expended from the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;

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

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

(ii) 0.5 per cent of the \$82,000,000 shall be transferred to a sub-account in the tourism special fund to provide funding for a safety



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  
14 follows: Kauai county shall receive [~~14.5~~] \_\_\_\_\_ per  
15 cent, Hawaii county shall receive [~~18.6~~] \_\_\_\_\_ per  
16 cent, city and county of Honolulu shall receive [~~44.1~~]  
17 \_\_\_\_\_ per cent, and Maui county shall receive [~~22.8~~]  
18 \_\_\_\_\_ per cent; provided that:

19 (A) The counties shall use the revenues for the  
20 enforcement of county ordinances relating to



1           transient accommodations and then for any of the  
2           following programs:

3           (i) Public mass transportation;

4           (ii) Efforts to control invasive species;

5           (iii) Participation in the national flood  
6           insurance program's community rating system;

7           (iv) Establishment of a building code  
8           effectiveness grading schedule, according to  
9           the international organization for  
10          standardization;

11          (v) Identification of important agricultural  
12          lands; and

13          (vi) Grants for cesspool conversion; and

14          (B) [~~commencing~~] Commencing with fiscal year 2018-  
15               2019, a sum that represents the difference  
16               between a county public employer's annual  
17               required contribution for the separate trust fund  
18               established under section 87A-42 and the amount  
19               of the county public employer's contributions  
20               into that trust fund shall be retained by the  
21               state director of finance and deposited to the



1 credit of the county public employer's annual  
2 required contribution into that trust fund in  
3 each fiscal year, as provided in section 87A-42,  
4 if the respective county fails to remit the total  
5 amount of the county's required annual  
6 contributions, as required under section 87A-43;  
7 and

8 (5) \$3,000,000 shall be allocated to the special land and  
9 development fund established under section 171-19;  
10 provided that the allocation shall be expended in  
11 accordance with the Hawaii tourism authority strategic  
12 plan for:

13 (A) The protection, preservation, maintenance, and  
14 enhancement of natural resources, including  
15 beaches, important to the visitor industry;

16 (B) Planning, construction, and repair of facilities;  
17 and

18 (C) Operation and maintenance costs of public lands,  
19 including beaches, connected with enhancing the  
20 visitor experience.



## H.B. NO. 2266

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

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

8 SECTION 2. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on July 1, 2018.

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INTRODUCED BY:

Nicole E. Lowen

Mark Hyatt  
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# H.B. NO. 2266

**Report Title:**

Transient Accommodations Tax Revenues; Counties

**Description:**

Amends the amount of transient accommodations tax revenues to be remitted to the counties. Requires the counties to use transient accommodations tax revenues to enforce ordinances regulating transient accommodations and other short term rentals and for other specific programs.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

