

JAN 19 2018

A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The purpose of this Act is to eliminate the cap
2 established for the distribution of transient accommodations tax
3 revenues to the counties.

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

6 "(b) Except for the revenues collected pursuant to section
7 237D-2(e), revenues collected under this chapter shall be
8 distributed in the following priority, with the excess revenues
9 to be deposited into the general fund:

- 10 (1) \$1,500,000 shall be allocated to the Turtle Bay
11 conservation easement special fund beginning July 1,
12 2015, for the reimbursement to the state general fund
13 of debt service on reimbursable general obligation
14 bonds, including ongoing expenses related to the
15 issuance of the bonds, the proceeds of which were used
16 to acquire the conservation easement and other real
17 property interests in Turtle Bay, Oahu, for the



1 protection, preservation, and enhancement of natural
2 resources important to the State, until the bonds are
3 fully amortized;

4 (2) \$26,500,000 shall be allocated to the convention
5 center enterprise special fund established under
6 section 201B-8;

7 (3) \$82,000,000 shall be allocated to the tourism special
8 fund established under section 201B-11; provided that:

9 (A) Beginning on July 1, 2012, and ending on June 30,
10 2015, \$2,000,000 shall be expended from the
11 tourism special fund for development and
12 implementation of initiatives to take advantage
13 of expanded visa programs and increased travel
14 opportunities for international visitors to
15 Hawaii;

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

17 (i) \$1,000,000 shall be allocated for the
18 operation of a Hawaiian center and the
19 museum of Hawaiian music and dance at the
20 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 and security budget, in accordance with the Hawaii tourism strategic plan 2005-2015; and
- (C) Of the revenues remaining in the tourism special fund after revenues have been deposited as provided in this paragraph and except for any sum authorized by the legislature for expenditure from revenues subject to this paragraph, beginning July 1, 2007, funds shall be deposited into the tourism emergency special fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency special fund;
- (4) [~~\$103,000,000~~] 44.8 per cent of the revenues collected after revenues have been deposited as provided in this section shall be allocated to the counties and distributed as follows: Kauai county shall receive 14.5 per cent, Hawaii county shall receive 18.6 per cent, city and county of Honolulu shall receive 44.1



1 per cent, and Maui county shall receive 22.8 per cent;
2 provided that commencing with fiscal year 2018-2019, a
3 sum that represents the difference between a county
4 public employer's annual required contribution for the
5 separate trust fund established under section 87A-42
6 and the amount of the county public employer's
7 contributions into that trust fund shall be retained
8 by the state director of finance and deposited to the
9 credit of the county public employer's annual required
10 contribution into that trust fund in each fiscal year,
11 as provided in section 87A-42, if the respective
12 county fails to remit the total amount of the county's
13 required annual contributions, as required under
14 section 87A-43; and

15 (5) \$3,000,000 shall be allocated to the special land and
16 development fund established under section 171-19;
17 provided that the allocation shall be expended in
18 accordance with the Hawaii tourism authority strategic
19 plan for:



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

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

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

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

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

SECTION 3. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 4. This Act shall take effect upon its approval.

INTRODUCED BY:


By Request



S.B. NO. 2194

Report Title:

Kauai County Package; Transient Accommodations Tax

Description:

Removes the cap for distribution of transient accommodations tax revenues to the counties.

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