

JAN 24 2018

A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS.

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

1 SECTION 1. Chapter 346, Hawaii Revised Statutes, is
2 amended by adding a new section to be appropriately designated
3 and to read as follows:

4 "§346 Transient accommodations homeless initiative
5 special fund. There is established in the state treasury the
6 transient accommodations homeless initiative special fund, into
7 which shall be deposited all revenue from the imposition of the
8 transient accommodations tax as specified under section 237D-
9 6.5.(b). Moneys in the transient accommodations homeless
10 initiative special fund shall be used by the department for the
11 development and implementation of homeless initiatives."

12 SECTION 2. Section 237D-1, Hawaii Revised Statutes, is
13 amended by amending the definitions of "local contact" and
14 "transient accommodations broker" to read as follows:

15 ""Local contact" means an [~~individual~~]:



1 (1) Individual residing on the same island as the
2 transient accommodation or resort time share vacation
3 unit [~~or an entity~~];

4 (2) An entity with a place of business and at least one
5 employee, officer, partner, member, or other person
6 working on behalf of the company who is residing on
7 the same island as the transient accommodation or
8 resort time share vacation unit[-]; or

9 (3) If the operator of a transient accommodation resides
10 or is located out-of-state, a real estate licensee
11 with a primary registered business address on the same
12 island as the transient accommodation.

13 "Transient accommodations broker" means any person or
14 entity, including but not limited to persons who operate online
15 websites, online travel agencies, or online booking agencies,
16 that offers, lists, advertises, facilitates, or accepts
17 reservations or collects whole or partial payment for transient
18 accommodations or resort time share vacation interests, units,
19 or plans."

20 SECTION 3. Section 237D-2, Hawaii Revised Statutes, is
21 amended by amending subsection (b) to read as follows:



1 "(b) Every operator shall pay to the State the tax imposed
2 by subsection (a), as provided in this chapter. Transient
3 accommodations brokers shall not be subject to this section
4 unless acting as an operator."

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

7 "(c) Any advertisement, including an online advertisement,
8 for any transient accommodation or resort time share vacation
9 interest, plan, or unit shall conspicuously provide:

10 (1) The registration identification number or an
11 electronic link to the registration identification
12 number of the operator or plan manager issued pursuant
13 to this section; ~~[and]~~

14 (2) The local contact's name, phone number, and electronic
15 mail address, provided that this paragraph shall be
16 considered satisfied if this information is provided
17 to the transient or occupant prior to the furnishing
18 of the transient accommodation or resort time share
19 vacation unit~~[-]~~; and

20 (3) If the online advertisement is made through a
21 transient accommodations broker, the registration



1 identification number or an electronic link to the
2 registration identification number of the operator and
3 the general excise tax license number of the operator
4 issued pursuant to chapter 237."

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

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

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



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(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 follows: Kauai
14 county shall receive 14.5 per cent, Hawaii county
15 shall receive 18.6 per cent, city and county of
16 Honolulu shall receive 44.1 per cent, and Maui county
17 shall receive 22.8 per cent; provided that commencing
18 with fiscal year 2018-2019, a sum that represents the
19 difference between a county public employer's annual
20 required contribution for the separate trust fund
21 established under section 87A-42 and the amount of the



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

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

- 14 (A) The protection, preservation, maintenance, and
15 enhancement of natural resources, including
16 beaches, important to the visitor industry;
17 (B) Planning, construction, and repair of facilities;
18 and
19 (C) Operation and maintenance costs of public lands,
20 including beaches, connected with enhancing the
21 visitor experience~~[]~~; and



(6) per cent of the revenues collected from operators
of transient accommodations using a transient
accommodations broker shall be allocated to the
transient accommodations homeless initiative special
fund established under section 346- .

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

SECTION 7. This Act shall take effect on July 1, 2018.

INTRODUCED BY:

SB HMS 2018-1270



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Report Title:

Transient Accommodations Tax; Transient Accommodations Broker;
Online Advertisements; Homeless Initiatives; Special Fund

Description:

Exempts transient accommodations brokers from paying the Transient Accommodations Tax (TAT) unless the broker is also an operator. Amends the definitions of local contact and transient accommodations broker. Requires an online advertisement for a transient accommodation made through a transient accommodations broker to contain the TAT registration number and general excise tax license number of the owner. Appropriates certain TAT funds to the transient accommodations homeless initiative special fund to be used for homeless initiatives. Creates a special fund.

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

