

JAN 24 2018

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. The legislature finds that Hawaii continues to
2 be one of the top destinations for vacationers. In 2016, the
3 State of Hawaii saw 8,821,802 visitors, and that number is
4 projected to increase to 9,562,109 in 2018 and 9,847,610 in
5 2020. As the number of visitors continues to grow, more strain
6 is put on the State's facilities, such as state parks, trails,
7 small boat harbor facilities, and other natural areas that are
8 operated and maintained by the department of land and natural
9 resources. The legislature believes that given the continued
10 growth of visitors, the Hawaii "brand" does not require the
11 level of financial support in marketing funds as is currently
12 allocated to the Hawaii tourism authority and those funds would
13 be better invested in Hawaii's natural resources and
14 environment.

15 The purpose of this Act is to redistribute transient
16 accommodations tax revenues, by allocating more funds to the
17 special land and development fund and reducing the allocation to



1 the tourism special fund, in order to improve certain state
2 facilities.

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

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

9 (1) \$1,500,000 shall be allocated to the Turtle Bay
10 conservation easement special fund beginning July 1,
11 2015, for the reimbursement to the state general fund
12 of debt service on reimbursable general obligation
13 bonds, including ongoing expenses related to the
14 issuance of the bonds, the proceeds of which were used
15 to acquire the conservation easement and other real
16 property interests in Turtle Bay, Oahu, for the
17 protection, preservation, and enhancement of natural
18 resources important to the State, until the bonds are
19 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~~] \$80,000,000 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~~] \$80,000,000 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~~] \$80,000,000 shall be transferred to a sub-account in the tourism special fund to



1 provide funding for a safety and security
2 budget, in accordance with the Hawaii
3 tourism strategic plan 2005-2015; and

4 (C) Of the revenues remaining in the tourism special
5 fund after revenues have been deposited as
6 provided in this paragraph and except for any sum
7 authorized by the legislature for expenditure
8 from revenues subject to this paragraph,
9 beginning July 1, 2007, funds shall be deposited
10 into the tourism emergency special fund,
11 established in section 201B-10, in a manner
12 sufficient to maintain a fund balance of
13 \$5,000,000 in the tourism emergency special fund;

14 (4) \$103,000,000 shall be allocated as follows: Kauai
15 county shall receive 14.5 per cent, Hawaii county
16 shall receive 18.6 per cent, city and county of
17 Honolulu shall receive 44.1 per cent, and Maui county
18 shall receive 22.8 per cent; provided that commencing
19 with fiscal year 2018-2019, a sum that represents the
20 difference between a county public employer's annual
21 required contribution for the separate trust fund



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

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

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

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



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

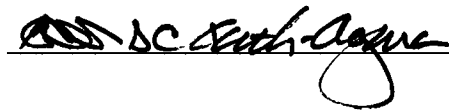
4 All transient accommodations taxes shall be paid into the
5 state treasury each month within ten days after collection and
6 shall be kept by the state director of finance in special
7 accounts for distribution as provided in this subsection.

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

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

13 SECTION 4. This Act shall take effect on July 1, 2018.
14

INTRODUCED BY:

 DC Keith-Logue



S.B. NO. 3038

Report Title:

Transient Accommodations Tax Revenue; Department of Land and Natural Resources; Special Land and Development Fund; Redistribution of Funds

Description:

Redistributes transient accommodations tax revenue, by allocating more funds to the special land and development fund and less funds to the tourism special fund, to improve certain state facilities.

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

