
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 2017, the
3 State received 9,404,346 visitors. That number is projected to
4 increase to approximately 10,130,000 in 2019. As the number of
5 visitors continues to grow, more strain is put on the State's
6 facilities, such as state parks, trails, small boat harbor
7 facilities, and other natural areas that are operated and
8 maintained by state agencies. The legislature believes that
9 given the continued growth of visitors, more investment is
10 needed in Hawaii's natural resources and environment.

11 The purpose of this Act is to allocate funds from transient
12 accommodations tax revenues to the Hawaii tourism authority, in
13 order to improve certain state facilities in accordance with the
14 authority's strategic plan.

15 SECTION 2. Section 171-19, Hawaii Revised Statutes, is
16 amended by amending subsection (a) to read as follows:



1 "(a) There is created in the department a special fund to
2 be designated as the "special land and development fund".
3 Subject to the Hawaiian Homes Commission Act of 1920, as
4 amended, and section 5(f) of the Admission Act of 1959, all
5 proceeds of sale of public lands, including interest on deferred
6 payments; all moneys collected under section 171-58 for mineral
7 and water rights; all rents from leases, licenses, and permits
8 derived from public lands; all moneys collected from lessees of
9 public lands within industrial parks; all fees, fines, and other
10 administrative charges collected under this chapter and chapter
11 183C; a portion of the highway fuel tax collected under chapter
12 243; all moneys collected by the department for the commercial
13 use of public trails and trail accesses under the jurisdiction
14 of the department; [~~transient accommodations tax revenues~~
15 ~~collected pursuant to section 237D-6.5(b)(5);~~] and private
16 contributions for the management, maintenance, and development
17 of trails and accesses shall be set apart in the fund and shall
18 be used only as authorized by the legislature for the following
19 purposes:

20 (1) To reimburse the general fund of the State for
21 advances made that are required to be reimbursed from



- 1 the proceeds derived from sales, leases, licenses, or
2 permits of public lands;
- 3 (2) For the planning, development, management, operations,
4 or maintenance of all lands and improvements under the
5 control and management of the board pursuant to title
6 12, including but not limited to permanent or
7 temporary staff positions who may be appointed without
8 regard to chapter 76; [~~provided that transient
9 accommodations tax revenues allocated to the fund
10 shall be expended as provided in section 237D-
11 6.5(b)(5);~~]
- 12 (3) To repurchase any land, including improvements, in the
13 exercise by the board of any right of repurchase
14 specifically reserved in any patent, deed, lease, or
15 other documents or as provided by law;
- 16 (4) For the payment of all appraisal fees; provided that
17 all fees reimbursed to the board shall be deposited in
18 the fund;
- 19 (5) For the payment of publication notices as required
20 under this chapter; provided that all or a portion of
21 the expenditures may be charged to the purchaser or



- 1 lessee of public lands or any interest therein under
2 rules adopted by the board;
- 3 (6) For the management, maintenance, and development of
4 trails and trail accesses under the jurisdiction of
5 the department;
- 6 (7) For the payment to private land developers who have
7 contracted with the board for development of public
8 lands under section 171-60;
- 9 (8) For the payment of debt service on revenue bonds
10 issued by the department, and the establishment of
11 debt service and other reserves deemed necessary by
12 the board;
- 13 (9) To reimburse the general fund for debt service on
14 general obligation bonds issued to finance
15 departmental projects, where the bonds are designated
16 to be reimbursed from the special land and development
17 fund;
- 18 (10) For the protection, planning, management, and
19 regulation of water resources under chapter 174C; and
20 (11) For other purposes of this chapter."



1 SECTION 3. Section 201B-13, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) Beginning on July 1, 2019, and each year thereafter,
4 the department of land and natural resources shall submit to the
5 authority on July 1 of each year a list of proposed projects
6 that relate to the strategic plan and are eligible for funding
7 as provided in section 237D-6.5(b)(5). The authority shall
8 consider these proposed projects.

9 Any state or county agency may render services upon request
10 of the authority."

11 SECTION 4. Section 201B-16, Hawaii Revised Statutes, is
12 amended to read as follows:

13 "**§201B-16 Annual report.** The authority shall submit a
14 complete and detailed report of its activities, expenditures,
15 and results, including the progress of the tourism marketing
16 plan developed pursuant to section 201B-6, toward achieving the
17 authority's strategic plan goals, to the governor and the
18 legislature at least twenty days prior to the convening of each
19 regular session of the legislature. The annual report shall
20 include [~~the descriptions~~]:



1 of debt service on reimbursable general obligation
2 bonds, including ongoing expenses related to the
3 issuance of the bonds, the proceeds of which were used
4 to acquire the conservation easement and other real
5 property interests in Turtle Bay, Oahu, for the
6 protection, preservation, and enhancement of natural
7 resources important to the State, until the bonds are
8 fully amortized;

9 (2) \$16,500,000 shall be allocated to the convention
10 center enterprise special fund established under
11 section 201B-8;

12 (3) \$79,000,000 shall be allocated to the tourism special
13 fund established under section 201B-11; provided that:

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

21 (B) Of the \$79,000,000 allocated:



- 1 (i) \$1,000,000 shall be allocated for the
- 2 operation of a Hawaiian center and the
- 3 museum of Hawaiian music and dance at the
- 4 Hawaii convention center; and
- 5 (ii) 0.5 per cent of the \$79,000,000 shall be
- 6 transferred to a sub-account in the tourism
- 7 special fund to provide funding for a safety
- 8 and security budget, in accordance with the
- 9 Hawaii tourism strategic plan 2005-2015; and
- 10 (C) Of the revenues remaining in the tourism special
- 11 fund after revenues have been deposited as
- 12 provided in this paragraph and except for any sum
- 13 authorized by the legislature for expenditure
- 14 from revenues subject to this paragraph,
- 15 beginning July 1, 2007, funds shall be deposited
- 16 into the tourism emergency special fund,
- 17 established in section 201B-10, in a manner
- 18 sufficient to maintain a fund balance of
- 19 \$5,000,000 in the tourism emergency special fund;
- 20 (4) \$103,000,000 shall be allocated as follows: Kauai
- 21 county shall receive 14.5 per cent, Hawaii county



1 shall receive 18.6 per cent, city and county of
2 Honolulu shall receive 44.1 per cent, and Maui county
3 shall receive 22.8 per cent; provided that commencing
4 with fiscal year 2018-2019, a sum that represents the
5 difference between a county public employer's annual
6 required contribution for the separate trust fund
7 established under section 87A-42 and the amount of the
8 county public employer's contributions into that trust
9 fund shall be retained by the state director of
10 finance and deposited to the credit of the county
11 public employer's annual required contribution into
12 that trust fund in each fiscal year, as provided in
13 section 87A-42, if the respective county fails to
14 remit the total amount of the county's required annual
15 contributions, as required under section 87A-43; and
16 (5) [~~\$3,000,000~~] \$ _____ shall be allocated to the
17 [~~special land and development fund established under~~
18 ~~section 171-19;~~] Hawaii tourism authority; provided
19 that the allocation shall be expended in accordance
20 with the Hawaii tourism authority strategic plan for:



1 (A) The protection, preservation, maintenance, and
2 enhancement of natural resources, including state
3 parks, beaches, and trails important to the
4 visitor industry;

5 (B) Planning, construction, and repair of facilities;
6 [~~and~~]

7 (C) Operation [~~and~~], maintenance, and enforcement
8 costs of public lands, including state parks,
9 beaches, and trails connected with enhancing the
10 visitor experience [~~-~~]; and

11 (D) Any costs and expenses incurred in the
12 development, implementation, or support of the
13 strategic plan pursuant to this paragraph,
14 including operational costs and costs for
15 necessary staffing.

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

6 SECTION 7. This Act shall take effect upon its approval.



Report Title:

Transient Accommodations Tax Revenue; Hawaii Tourism Authority

Description:

Allocates funds from TAT revenue to the Hawaii Tourism Authority, rather than the Special Land and Development Fund, to improve certain state resources and services. Requires DLNR to submit to HTA, an annual list of proposed projects in relation to the HTA Strategic Plan. (HB548 HD2)

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

