

JAN 21 2021

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 due to the ambiguity
2 of how the county allocation percentages in section
3 237D-6.5(b)(4), Hawaii Revised Statutes, were originally
4 calculated, these percentages should be revised to reflect the
5 current population growth of each county, so as to ensure a fair
6 allocation of transient accommodations taxes to each county.
7 According to United States Census data, from 2010 to 2017, the
8 population of the neighbor island counties (Hawaii 8.3 per cent,
9 Kauai 7.6 per cent, and Maui 7.4 per cent) grew more rapidly
10 than that of the city and county of Honolulu (3.7 per cent).
11 The legislature further finds that data from the 2020 United
12 States Census, due to be released on March 31, 2021, will
13 provide additional information to guide the reallocation of
14 transient fund accommodations taxes.

15 The purpose of this Act is to provide a fairer, more
16 consistent, and reliable allocation of transient accommodations
17 tax revenues to the counties.



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1 SECTION 2. 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;

18 (2) \$16,500,000 shall be allocated to the convention
19 center enterprise special fund established under
20 section 201B-8;



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- 1 (3) \$79,000,000 shall be allocated to the tourism special
2 fund established under section 201B-11; provided that:
- 3 (A) Beginning on July 1, 2012, and ending on June 30,
4 2015, \$2,000,000 shall be expended from the
5 tourism special fund for development and
6 implementation of initiatives to take advantage
7 of expanded visa programs and increased travel
8 opportunities for international visitors to
9 Hawaii;
- 10 (B) Of the \$79,000,000 allocated:
- 11 (i) \$1,000,000 shall be allocated for the
12 operation of a Hawaiian center and the
13 museum of Hawaiian music and dance; and
- 14 (ii) 0.5 per cent of the \$79,000,000 shall be
15 transferred to a sub-account in the tourism
16 special fund to provide funding for a safety
17 and security budget, in accordance with the
18 Hawaii tourism strategic plan 2005-2015; and
- 19 (C) Of the revenues remaining in the tourism special
20 fund after revenues have been deposited as
21 provided in this paragraph and except for any sum



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1 authorized by the legislature for expenditure
 2 from revenues subject to this paragraph,
 3 beginning July 1, 2007, funds shall be deposited
 4 into the tourism emergency special fund,
 5 established in section 201B-10, in a manner
 6 sufficient to maintain a fund balance of
 7 \$5,000,000 in the tourism emergency special fund;

8 (4) [~~\$103,000,000~~] \$ _____ shall be allocated as
 9 follows: Kauai county shall receive [~~14.5~~] ____ per
 10 cent, Hawaii county shall receive [~~18.6~~] ____ per
 11 cent, city and county of Honolulu shall receive [~~44.1~~]
 12 ____ per cent, and Maui county shall receive [~~22.8~~]
 13 ____ per cent; provided that commencing with fiscal
 14 year 2018-2019, a sum that represents the difference
 15 between a county public employer's annual required
 16 contribution for the separate trust fund established
 17 under section 87A-42 and the amount of the county
 18 public employer's contributions into that trust fund
 19 shall be retained by the state director of finance and
 20 deposited to the credit of the county public
 21 employer's annual required contribution into that



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

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

- 10 (A) The protection, preservation, maintenance, and
11 enhancement of natural resources, including
12 beaches, important to the visitor industry;
- 13 (B) Planning, construction, and repair of facilities;
14 and
- 15 (C) Operation and maintenance costs of public lands,
16 including beaches, connected with enhancing the
17 visitor experience.

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



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

6 SECTION 4. This Act shall take effect on July 1, 2021.

7

INTRODUCED BY: _____



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Report Title:

Transient Accommodations Tax; County Distribution

Description:

Revises county allocations of transient accommodations tax revenues to reflect the growth in population of each respective county. Effective 7/1/2021.

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

