
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 it is vitally
2 important to dedicate a set percentage of revenue derived from
3 the transient accommodations tax to state-led marketing,
4 branding, and tourism management. In doing so, the State
5 ensures that its marketing, branding, and tourism-management
6 efforts are scaled to the success of tourism while also
7 reserving resources to help the industry weather downturns.
8 When the visitor industry thrives, the State invests more into
9 protecting the Hawaii brand. Conversely, when the visitor
10 industry slows, the State has guaranteed resources to fight for
11 market share. The State must be equipped with the necessary
12 tools to compete effectively on the world stage to protect the
13 jobs, tax revenues, and economic strength on which the people of
14 Hawaii depend.

15 The legislature further finds that Hawaii's economy remains
16 uniquely dependent on a healthy and vibrant visitor industry.
17 For the 1,400,000 residents of the State, tourism is not merely



1 a sector, it is a lifeline. More than 200,000 residents
2 directly derive their livelihoods from this industry, and
3 thousands more rely on the secondary economic activity it
4 generates.

5 The legislature also finds that unlike unmanaged growth,
6 state-led marketing would allow Hawaii to curate its visitor
7 profile, focusing on those who respect the State's culture and
8 environment and who contribute more per capita to local
9 businesses.

10 Furthermore, the legislature finds that history and
11 economic modeling have demonstrated that state-led marketing
12 dollars are not "costs" but investments with a measurable
13 return. Every dollar spent on strategic marketing and branding
14 returns significantly more to the State through general excise
15 tax and transient accommodations tax collections than the
16 initial investment, thus creating a self-sustaining cycle of
17 revenue for the general fund.

18 Therefore, the purpose of this Act is to establish the
19 state-led marketing and branding special fund and require a
20 portion of all transient accommodations tax revenues that would
21 otherwise be deposited into the general fund to be deposited



1 into the special fund, to be used for state-led marketing,
2 branding, and tourism management.

3 SECTION 2. Chapter 201, Hawaii Revised Statutes, is
4 amended by adding a new section to be appropriately designated
5 and to read as follows:

6 "§201- State-led marketing and branding special fund;
7 annual comprehensive plan. (a) There is created within the
8 state treasury a state-led marketing and branding special fund,
9 into which shall be deposited a portion of the revenues from the
10 transient accommodations tax, as provided by section 237D-6.5.

11 (b) To ensure transparency and alignment with state goals,
12 the department shall annually develop and submit to the
13 legislature a comprehensive marketing, branding, and tourism
14 management plan to guide its state-led marketing, branding, and
15 tourism management efforts over the subsequent fiscal year. The
16 plan shall be subject to approval by the legislature by
17 concurrent resolution before the beginning of the fiscal year to
18 which the plan applies.

19 (c) Moneys in the special fund shall be used solely for
20 state-led marketing, branding, and tourism management, to be
21 conducted by the department in accordance with the comprehensive



1 marketing, branding, and tourism management plan approved by the
2 legislature for that fiscal year. No moneys shall be
3 appropriated out of the state-led marketing and branding special
4 fund for expenditure in any fiscal year unless the legislature
5 has approved a comprehensive marketing, branding, and tourism
6 management plan for that fiscal year."

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

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

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



resources important to the State, until the bonds are fully amortized;

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

(3) An allocation 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; [and]

(4) \$3,000,000 shall be allocated to the special land and development fund established under section 171-19 for:

(A) The protection, preservation, maintenance, and enhancement of natural resources, including beaches;

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

(C) Operation, maintenance, and improvement costs of public lands, including beaches; and

(D) Any related debt service and financing agreement costs[-]; and



1 (5) Fifteen per cent shall be deposited into the state-led
2 marketing and branding special fund established by
3 section 201- .

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 SECTION 4. Statutory material to be repealed is bracketed
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2026.

11
INTRODUCED BY:



JAN 23 2026



H.B. NO. 1950

Report Title:

Transient Accommodations Tax; Dedicated Funding; State-led Marketing and Branding Special Fund; Annual Comprehensive Marketing, Branding, And Tourism Management Plan

Description:

Establishes the State-led Marketing and Branding Special Fund and requires that a portion of all transient accommodations taxes that would otherwise be deposited into the general fund be deposited into the special fund, to be used for state-led marketing, branding, and tourism management. Requires the Department of Business, Economic Development, and Tourism to develop and submit to the Legislature an annual comprehensive marketing, branding, and tourism management plan.

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

