

A Bill for an Act Relating to Transient Accommodations Tax.

Be It Enacted by the Legislature of the State of Hawaii:

SECTION 1. Chapter 237D, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

“**§237D- Transient accommodations tax trust fund.** (a) There is established in the state treasury the transient accommodations tax trust fund to be administered by the director of finance, into which shall be deposited the revenues prescribed by section 237D-6.5(b).

(b) All investment earnings from moneys in the trust fund shall be credited to the general fund.

(c) The purpose of the trust fund is to serve as a holding account for transient accommodations tax revenues to supplement shortfalls in the tourism special fund, if the tourism special fund does not receive \$63,292,000 in transient accommodation tax revenues as provided in this section.

(d) If the amount of transient accommodations tax revenues distributed to the tourism special fund pursuant to section 237D-6.5(b)(2) is projected by the director of finance to be less than \$63,292,000 in the aggregate in a fiscal year, the director of finance, at such times and in such amounts that the director shall reasonably determine, shall deposit moneys from the trust fund to the tourism special fund to provide the tourism special fund with a minimum of \$63,292,000 in transient accommodations tax revenues in the aggregate for a fiscal year; provided that any deposit from the trust fund to the tourism special fund shall be limited to the moneys available in the trust fund.

(e) If the tourism special fund receives less than \$63,292,000 in transient accommodations tax revenues in the aggregate for a fiscal year, even after receiving moneys from the trust fund, the shortfall shall be non-cumulative and shall not represent a claim against future distributions from the trust fund.

(f) No deposit from the trust fund to the tourism special fund shall be made that would cause the tourism special fund to receive more than \$63,292,000 in transient accommodations tax revenues in the aggregate for a fiscal year.

(g) Any moneys remaining in the trust fund at the end of each fiscal year shall be credited to the general fund; provided that, upon receipt by the tourism special fund of at least \$63,292,000 in transient accommodations tax revenues in the aggregate during the course of a fiscal year, the moneys in the trust fund shall thereafter be credited to the general fund.”

SECTION 2. Section 184-3.4, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) There is established within the state treasury a fund to be known as the state parks special fund~~[-AH]~~, into which shall be deposited:

- (1) All proceeds collected by the state parks programs involving park user fees, any leases or concession agreements, the sale of any article purchased from the department to benefit the state parks programs, or any gifts or contributions~~[-, shall be deposited into this fund]~~; provided that proceeds derived from the operation of Iolani Palace shall be used to supplement its educational and interpretive programs~~[-]; and~~
- (2) Transient accommodations tax revenues pursuant to section 237D-6.5(b)(2); provided that these moneys shall be expended in response to

a master plan developed in coordination with the Hawaii tourism authority.”

SECTION 3. Section 198D-2, Hawaii Revised Statutes, is amended as follows:

1. By amending subsection (b) to read:

“(b) The trail and access program shall use funding for the management, maintenance, and development of trails and trail accesses under the jurisdiction of the department from the following sources:

- (1) A portion of the highway fuel taxes collected under chapter 243;
- (2) Federal government grants;
- (3) Private contributions; ~~[and]~~
- (4) Fees, established pursuant to administrative rules and charged by the department for the commercial and other use of trails and trail accesses under the jurisdiction of the department[-]; and
- (5) Transient accommodations tax revenues pursuant to section 237D-6.5(b)(2).”

2. By amending subsection (d) to read:

“(d) The moneys specified in subsection (b)(1), (3), ~~[and] (4), and (5)~~ shall be deposited in the special land and development fund under section 171-19 for the management, maintenance, and development of trails and trail accesses under the jurisdiction of the department[-]; provided that the moneys specified in subsection (b)(5) shall be expended for the management, maintenance, and development of trails and access areas frequented by visitors in response to a master plan developed in coordination with the Hawaii tourism authority.”

SECTION 4. Section 201B-11, Hawaii Revised Statutes, is amended by amending subsection (c) to read as follows:

“(c) Moneys in the tourism special fund shall be used by the authority for the purposes of this chapter, provided that ~~[not]~~:

- (1) Not more than three per cent of this amount shall be used for administrative expenses[-; provided further that of this amount the sum of], including \$15,000 [shall be made available] for a protocol fund to be expended at the discretion of the executive director[-; provided further that moneys in the tourism special fund shall be used], and for the salaries and expenses of the office of tourism established in section 201-92[-]; and
- (2) At least \$1,000,000 shall be made available to support efforts to manage, improve, and protect Hawaii’s natural environment and areas frequented by visitors.”

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

“(b) ~~[Beginning on January 1, 1999[-], revenues]~~ Revenues collected under this chapter shall be distributed as follows:

- (1) 17.3 per cent of the revenues collected under this chapter shall be deposited into the convention center capital and operations¹ fund established under section 206X-10.5;
- (2) ~~[37.9]~~ 32.6 per cent of the revenues collected under this chapter shall be deposited into the tourism special fund established under section 201B-11[-]; for tourism promotion and visitor industry research; provided that beginning on July 1, 2002:

- (A) If the amount of revenues deposited into the tourism special fund exceeds \$62,292,000 in any fiscal year, of the first \$1,000,000 in revenues deposited in excess of \$62,292,000:
 - (i) Ninety per cent shall be deposited into the state parks special fund established in section 184-3.4; and
 - (ii) Ten per cent shall be transferred to the Hawaii statewide trail and access program pursuant to section 198D-2(b)(5); provided that the total amount deposited into the state parks special fund and to the Hawaii statewide trail and access program shall not exceed \$1,000,000 in any fiscal year;
- (3) 44.8 per cent of the revenues collected under this chapter shall be transferred as follows: Kauai county shall receive 14.5 per cent, Hawaii county shall receive 18.6 per cent, city and county of Honolulu shall receive 44.1 per cent, and Maui county shall receive 22.8 per cent [-]; and
- (4) 5.3 per cent of the revenues collected under this chapter shall be deposited into the transient accommodations tax trust fund established under section 237D-_____.

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.’’

SECTION 6. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.²

SECTION 7. This Act shall take effect on July 1, 2002.

(Approved July 1, 2002.)

Notes

- 1. Prior to amendment “special” appeared here.
- 2. Edited pursuant to HRS §23G-16.5.