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## A BILL FOR AN ACT

RELATING TO TAXATION.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the State of Hawai`i  
2 is home to many structures that reflect our unique cultural  
3 heritage and are of great historical significance. The  
4 legislature also finds that preserving and perpetuating these  
5 structures that reflect the outstanding elements of Hawai`i's  
6 cultural, artistic, architectural, and historic heritage. The  
7 legislature further finds that there are economic benefits to  
8 heritage preservation as well.

9           Heritage tourism is one of the fastest growing niches in  
10 the tourism industry. Heritage preservation protects and  
11 enhances the State's attraction to tourists, and increases the  
12 tax base, enhances property values, and generates additional  
13 sales of goods and services, creates jobs, and otherwise  
14 benefits the overall economy.

15           The legislature further finds that even in prosperous  
16 years, state funding for historic preservation has been lean.  
17 To address the lack of consistent state funding for this type of  
18 preservation, the Historic Hawai`i Foundation, in cooperation



1 with the National Trust for Historic Preservation, will  
2 establish the Hawai`i Preservation Fund. Envisioned as an  
3 endowment vehicle, the fund will allow the Historic Hawai`i  
4 Foundation to compete for federal dollars. Funds would be used  
5 for preservation services in Hawai`i with an overwhelming  
6 majority of the funding going to direct grant awards to Hawai`i-  
7 based non-profits and government organizations dedicated to  
8 heritage preservation.

9 The purpose of this Act is to appropriate a small portion  
10 of the transient accommodations tax to the Hawai`i Preservation  
11 Fund endowment to begin funding the endowment.

12 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is  
13 amended to read as follows:

14 **"§237D-6.5 Remittances; distribution to counties. (a)**

15 All remittances of taxes imposed under this chapter shall be  
16 made by cash, bank drafts, cashier's check, money order, or  
17 certificate of deposit to the office of the taxation district to  
18 which the return was transmitted.

19 (b) Revenues collected under this chapter shall be  
20 distributed as follows, with the excess revenues to be deposited  
21 into the general fund:



1           (1) 17.3 per cent of the revenues collected under this  
2           chapter shall be deposited into the convention center  
3           enterprise special fund established under section  
4           201B-8; provided that beginning January 1, 2002, if  
5           the amount of the revenue collected under this  
6           paragraph exceeds \$33,000,000 in any calendar year,  
7           revenues collected in excess of \$33,000,000 shall be  
8           deposited into the general fund;

9           (2) 34.2 per cent of the revenues collected under this  
10          chapter shall be deposited into the tourism special  
11          fund established under section 201B-11 for tourism  
12          promotion and visitor industry research; provided that  
13          beginning on July 1, 2002, of the first \$1,000,000 in  
14          revenues deposited:

15           (A) Ninety per cent shall be deposited into the state  
16           parks special fund established in section 184-  
17           3.4; and

18           (B) Ten per cent shall be deposited into the special  
19           land and development fund established in section  
20           171-19 for the Hawaii statewide trail and access  
21           program;



1 provided that of the 34.2 per cent, 0.5 per cent shall  
2 be transferred to a sub-account in the tourism special  
3 fund to provide funding for a safety and security  
4 budget, in accordance with the Hawaii tourism  
5 strategic plan 2005-2015 and 1.0 per cent shall be  
6 transferred to the Hawai`i Preservation Fund, as  
7 administered by the National Trust for Historic  
8 Preservation in cooperation with the Historic Hawai`i  
9 Foundation; provided further that of the revenues  
10 remaining in the tourism special fund after revenues  
11 have been deposited as provided in this paragraph and  
12 except for any sum authorized by the legislature for  
13 expenditure from revenues subject to this paragraph,  
14 beginning July 1, 2007, funds shall be deposited into  
15 the tourism emergency trust fund, established in  
16 section 201B-10, in a manner sufficient to maintain a  
17 fund balance of \$5,000,000 in the tourism emergency  
18 trust fund; and

- 19 (3) 44.8 per cent of the revenues collected under this  
20 chapter shall be transferred as follows: Kauai county  
21 shall receive 14.5 per cent, Hawaii county shall  
22 receive 18.6 per cent, city and county of Honolulu



1 shall receive 44.1 per cent, and Maui county shall  
2 receive 22.8 per cent.

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

7 (c) On or before January or July 1 of each year or after  
8 the disposition of any tax appeal with respect to an assessment  
9 for periods after June 30, 1990, the state director of finance  
10 shall compute and pay the amount due as provided in subsection  
11 (b) to the director of finance of each county to become a  
12 general realization of the county expendable as such, except as  
13 otherwise provided by law."

14 SECTION 3. This Act shall take effect on July 1, 2008, and  
15 shall be repealed on July 1, 2010 and section 237D-6.5, Hawaii  
16 Revised Statutes, shall be reenacted in the form in which it  
17 read on the day before the approval of this Act.

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INTRODUCED BY: Cindy Evans  
Mele Carroll  
Kamohananui  
De Uterl  
John J. M.  
Caroline W. L. Chung  
John Antonillo  
Barbara Mamundo



**Report Title:**

Historic Preservation

**Description:**

Directs a portion of transient accommodation tax moneys to the Hawai`i Preservation Fund.

