

JAN 18 2008

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



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

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

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

15 "§237D-6.5 Remittances; distribution to counties. (a)

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

20 (b) Revenues collected under this chapter shall be
21 distributed as follows, with the excess revenues to be deposited
22 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: Shiranne Chun Oakland



Report Title:

Historic Preservation

Description:

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

