

JAN 19 2007

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 the visitor industry
2 serves as the backbone of our economy, generating a large
3 portion of tax revenues that support many state programs. In
4 turn, Hawaii's visitor industry is sustained by these state
5 general funded programs, such as maintenance of our
6 transportation infrastructure, protection of our physical
7 environment, and preservation of our cultural heritage, amongst
8 many others. Thus, the legislature understands that in order to
9 maintain a healthy visitor industry, we must also maintain a
10 quality of life in Hawaii that is enjoyed by Hawaii residents
11 and visitors alike.

12 The legislature further finds that reinvestment of
13 transient accommodations tax revenues into specific programs
14 that support the visitor industry, ensures that it is sustained
15 and provides government support for industry expansion beyond
16 our traditional markets into destination-specific activities.
17 However, the legislature believes that continued financial



1 support of visitor industry activities should not be borne by
2 the State alone, and because the counties receive a share of
3 revenues from the transient accommodations tax, the counties
4 should also share in the costs of sustaining and expanding the
5 visitor industry.

6 The purpose of this Act is to earmark a percentage of each
7 county's revenues from the transient accommodations tax for
8 programs that support tourism promotion and visitor industry
9 enhancements.

10 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) Revenues collected under this chapter shall be
13 distributed as follows, with the excess revenues to be deposited
14 into the general fund:

15 (1) 17.3 per cent of the revenues collected under this
16 chapter shall be deposited into the convention center
17 enterprise special fund established under section
18 201B-8; provided that beginning January 1, 2002, if
19 the amount of the revenue collected under this
20 paragraph exceeds \$33,000,000 in any calendar year,
21 revenues collected in excess of \$33,000,000 shall be
22 deposited into the general fund;



1 (2) 34.2 per cent of the revenues collected under this
2 chapter shall be deposited into the tourism special
3 fund established under section 201B-11 for tourism
4 promotion and visitor industry research; provided that
5 beginning on July 1, 2002:

6 (A) Of the first \$1,000,000 in revenues deposited:

7 (i) Ninety per cent shall be deposited into the
8 state parks special fund established in
9 section 184-3.4; and

10 (ii) Ten per cent shall be deposited into the
11 special land and development fund
12 established in section 171-19 for the Hawaii
13 statewide trail and access program;

14 provided that of the 34.2 per cent, 0.5 per cent shall
15 be transferred to a sub-account in the tourism special
16 fund to provide funding for a safety and security
17 budget, in accordance with the Hawaii tourism
18 strategic plan 2005-2015; 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 [-]; provided that at least two
 3 per cent of each county's realizations under this
 4 paragraph shall be earmarked for programs that support
 5 tourism promotion and visitor industry enhancement.

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

10 SECTION 3. Statutory material to be repealed is bracketed
 11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect on July 1, 2007.

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INTRODUCED BY:

Anna Mercedes K...
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Report Title:

Earmarks County Portion of Transient Accommodations Tax

Description:

Requires that two per cent of each county's transient accommodations tax revenue collections be used for tourism promotions and visitor industry enhancements.

