H.B. NO. 1979 H.D.1

A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1   SECTION 1. Chapter 237D, Hawaii Revised Statutes, is

2 amended by adding a new section to be appropriately designated

3 and to read as follows:

4   "§237D-   **County reporting.** Not later than twenty days

5 prior to the convening of every regular session, beginning with

6 the 2011 regular session, each county shall report to the

7 legislature on the transient accommodations tax proceeds

8 received under section 237D-6.5(b)(3) for the prior year. Each

9 county shall include in its report a detailed description of the

10 county's use of the transient accommodation tax proceeds.

11   SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is

12 amended by amending subsection (b) to read as follows:

13   "(b) Revenues collected under this chapter, except for

14 revenues collected under section 237D-2(b), shall be distributed

15 as follows, with the excess revenues to be deposited into the

16 general fund:

17   (1) 17.3 per cent of the revenues collected under this

18   chapter shall be deposited into the convention center

1   enterprise special fund established under section

2   201B-8; provided that beginning January 1, 2002, if

3   the amount of the revenue collected under this

4   paragraph exceeds $33,000,000 in any calendar year,

5   revenues collected in excess of $33,000,000 shall be

6   deposited into the general fund;

7   (2) 34.2 per cent of the revenues collected under this

8   chapter shall be deposited into the tourism special

9   fund established under section 201B-11 for tourism

10   promotion and visitor industry research; provided that

11   beginning on July 1, 2002, of the first $1,000,000 in

12   revenues deposited:

13   (A) Ninety per cent shall be deposited into the state

14   parks special fund established in section 184-

15   3.4; and

16   (B) Ten per cent shall be deposited into the special

17   land and development fund established in section

18   171-19 for the Hawaii statewide trail and access

19   program;

20   provided that of the 34.2 per cent, 0.5 per cent shall

21   be transferred to a sub-account in the tourism special

22   fund to provide funding for a safety and security

1   budget, in accordance with the Hawaii tourism

2   strategic plan 2005-2015; provided further that of the

3   revenues remaining in the tourism special fund after

4   revenues have been deposited as provided in this

5   paragraph and except for any sum authorized by the

6   legislature for expenditure from revenues subject to

7   this paragraph, beginning July 1, 2007, funds shall be

8   deposited into the tourism emergency trust fund,

9   established in section 201B-10, in a manner sufficient

10   to maintain a fund balance of $5,000,000 in the

11   tourism emergency trust fund; and

12   (3) 44.8 per cent of the revenues collected under this

13   chapter shall be transferred as follows: Kauai county

14   shall receive 14.5 per cent, Hawaii county shall

15   receive 18.6 per cent, city and county of Honolulu

16   shall receive 44.1 per cent, and Maui county shall

17   receive 22.8 per cent [÷]; provided that:

18   (A) All revenues distributed to the counties under

19   this paragraph shall be used for tourism-related

20   purposes; and

21   (B) If any county fails to expend the revenues under

22   this paragraph for tourism-related purposes, as

1   determined by the legislature, an amount equal to

2   the percentage of the revenue not expended for

3   tourism-related purposes shall be withheld the

4   following year from that county's distributive

5   share under this paragraph.

6   Revenues collected under section 237D-2(b) shall be

7   deposited into the general fund. All transient accommodations

8   taxes shall be paid into the state treasury each month within

9   ten days after collection and shall be kept by the state

10   director of finance in special accounts for distribution as

11   provided in this subsection."

12   SECTION 3. Statutory material to be repealed is bracketed

13   and stricken. New statutory material is underscored.

14   SECTION 4. This Act shall take effect upon its approval;

15   provided that:

16   (1)   The amendments to section 237D-6.5, Hawaii Revised

17   Statutes, shall not be repealed when that section is

18   reenacted on June 30, 2015, pursuant to Act 61,

19   Session Laws of Hawaii 2009; and

20   (2)   This Act shall apply to taxable years beginning after

21   December 31, 2009.

Report Title:
Transient Accommodations Tax; Counties

Description:
Requires the counties to: (1) use their TAT proceeds for
tourism-related purposes; and (2) report annually to the
legislature on the use of their TAT proceeds. If legislature
determines any funds were not used for tourism-related purposes,
requires that percentage of TAT revenues to be withheld from
that county's distributive share during the following year.

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