
A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. The purpose of this Act is to place a limit on
2 the amount of transient accommodations tax revenues distributed
3 to the counties for the period of July 1, 2010, through June 30,
4 2015.

5 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
6 amended by amending subsections (b) and (c) to read as follows:

7 "(b) Revenues collected under this chapter, except for
8 revenues collected under section 237D-2(b), shall be distributed
9 as follows, with the excess revenues to be deposited into the
10 general fund:

11 (1) 17.3 per cent of the revenues collected under this
12 chapter shall be deposited into the convention center
13 enterprise special fund established under section
14 201B-8; provided that beginning January 1, 2002, if
15 the amount of the revenue collected under this
16 paragraph exceeds \$33,000,000 in any calendar year,
17 revenues collected in excess of \$33,000,000 shall be
18 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, of the first \$1,000,000 in
6 revenues deposited:

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

10 (B) Ten per cent shall be deposited into the special
11 land and development fund established in section
12 171-19 for the Hawaii statewide trail and access
13 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; provided further that of the
19 revenues remaining in the tourism special fund after
20 revenues have been deposited as provided in this
21 paragraph and except for any sum authorized by the
22 legislature for expenditure from revenues subject to



1 this paragraph, beginning July 1, 2007, funds shall be
2 deposited into the tourism emergency trust fund,
3 established in section 201B-10, in a manner sufficient
4 to maintain a fund balance of \$5,000,000 in the
5 tourism emergency trust fund; and

6 (3) 44.8 per cent or \$50,000,000, whichever is less, of
7 the revenues collected under this chapter shall be
8 transferred as follows: Kauai county shall receive
9 14.5 per cent, Hawaii county shall receive 18.6 per
10 cent, city and county of Honolulu shall receive 44.1
11 per cent, and Maui county shall receive 22.8 per cent.

12 Revenues collected under section 237D-2(b) shall be
13 deposited into the general fund. All transient accommodations
14 taxes shall be paid into the state treasury each month within
15 ten days after collection and shall be kept by the state
16 director of finance in special accounts for distribution as
17 provided in this subsection.

18 (c) On or before January or July 1 of each year or after
19 the disposition of any tax appeal with respect to an assessment
20 for periods after June 30, 1990, the state director of finance
21 shall compute and pay the amount due as provided in this
22 subsection and subsection (b) to the director of finance of each



1 county to become a general realization of the county expendable
2 as such, except as otherwise provided by law.

3 Until June 30, 2015, the state director of finance shall
4 compute the amount due to the counties by January 1 of each
5 fiscal year on the assumption that the counties' share of the
6 transient accommodations tax revenues for that fiscal year shall
7 be \$50,000,000. As to the amount due to the counties before the
8 following July 1, the state director of finance shall pay the
9 same amount; provided that, if based upon the actual transient
10 accommodations tax revenues derived during the fiscal year, the
11 counties' share for the entire fiscal year is less than
12 \$50,000,000, the state director of finance shall pay the
13 counties an appropriately adjusted amount."

14 SECTION 3. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect on July 1, 2010, and
17 shall be repealed on June 30, 2015; provided that section
18 237D-6.5, Hawaii Revised Statutes, shall be reenacted in the
19 form in which it existed on the day prior to the effective date
20 of Act 61, Session Laws of Hawaii 2009.



Report Title:

Transient Accommodations Tax; Minimum Rate; Limitation on
Distribution to Counties

Description:

Limits annual amount of transient accommodations tax revenues
distributed to the counties from 7/1/2010, through 6/30/2015 to
\$50,000,000.

*The summary description of legislation appearing on this page is for informational purposes only and is
not legislation or evidence of legislative intent.*

