
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 purpose of this Act is to temporarily
2 suspend the distribution of transient accommodations tax
3 revenues to the counties.

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

6 "§237D-6.5 Remittances; distribution to counties. (a)
7 All remittances of taxes imposed under this chapter shall be
8 made by cash, bank drafts, cashier's check, money order, or
9 certificate of deposit to the office of the taxation district to
10 which the return was transmitted.

11 (b) Revenues collected under this chapter, except for
12 revenues collected under section 237D-2(b), shall be distributed
13 as follows, with the excess revenues to be deposited into the
14 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



1 the amount of the revenue collected under this
2 paragraph exceeds \$33,000,000 in any calendar year,
3 revenues collected in excess of \$33,000,000 shall be
4 deposited into the general fund;

5 (2) 34.2 per cent of the revenues collected under this
6 chapter shall be deposited into the tourism special
7 fund established under section 201B-11 for tourism
8 promotion and visitor industry research; provided that
9 [beginning] :

10 (A) Beginning on July 1, 2002, of the first
11 \$1,000,000 in revenues deposited:

12 ~~[(A)]~~ (i) Ninety per cent shall be deposited into the
13 state parks special fund established in
14 section 184-3.4; and

15 ~~[(B)]~~ (ii) Ten per cent shall be deposited into the
16 special land and development fund
17 established in section 171-19 for the Hawaii
18 statewide trail and access program;

19 ~~[provided that of]~~

20 (B) Of the 34.2 per cent, 0.5 per cent shall be
21 transferred to a sub-account in the tourism
22 special fund to provide funding for a safety and



1 security budget, in accordance with the Hawaii
2 tourism strategic plan 2005-2015; [~~provided~~
3 ~~further that of]~~

4 (C) Of the revenues remaining in the tourism special
5 fund after revenues have been deposited as
6 provided in this paragraph and except for any sum
7 authorized by the legislature for expenditure
8 from revenues subject to this paragraph,
9 beginning July 1, 2007, funds shall be deposited
10 into the tourism emergency trust fund,
11 established in section 201B-10, in a manner
12 sufficient to maintain a fund balance of
13 \$5,000,000 in the tourism emergency trust fund;
14 and

15 (3) Except as provided in subsection (d), 44.8 per cent of
16 the revenues collected under this chapter shall be
17 transferred as follows: Kauai county shall receive
18 14.5 per cent, Hawaii county shall receive 18.6 per
19 cent, city and county of Honolulu shall receive 44.1
20 per cent, and Maui county shall receive 22.8 per cent.

21 Revenues collected under section 237D-2(b) shall be
22 deposited into the general fund. All transient accommodations



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

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

12 (d) Subsection (b) (3), with regard to transfer of revenues
13 to the counties, and subsection (c), with regard to computation
14 and payment to the counties, shall not be operative from July 1,
15 2010, to June 30, 2015. During the period that subsection
16 (b) (3) is not operative, the remainder of the revenues collected
17 shall be deposited into the state general fund."

18 SECTION 3. New statutory material is underscored.

19 SECTION 4. This Act shall take effect on July 1, 2010 and
20 shall be repealed on June 30, 2015; provided that section
21 237D-6.5, Hawaii Revised Statutes, shall be repealed on June 30,



H.B. NO. 2873

1 2015, pursuant to Act 61, Session Laws of Hawaii 2009, and
2 reenacted in the form in which it read on June 30, 2009.

3

INTRODUCED BY:

Calvin K. Ay

JAN 27 2010



Report Title:

Transient Accommodations Tax; Suspension of Distribution to Counties

Description:

Suspends for 5 years from 07/01/2010 to 06/30/2015 the distribution of transient accommodations tax revenues to the counties.

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