

JAN 23 2009

A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. Section 201B-7, Hawaii Revised Statutes, is
2 amended by amending subsection (a) to read as follows:

3 "(a) The authority may enter into contracts and agreements
4 that include the following:

5 (1) Tourism promotion, marketing, and development;

6 (2) Market development-related research;

7 (3) Product development and diversification issues focused
8 on visitors;

9 (4) Promotion, development, and coordination of sports-
10 related activities and events;

11 (5) Promotion, development, and coordination of
12 culturally-related activities and events, including
13 but not limited to hula shows and Hawaiiana-related
14 events that focus on Hawaii's people and heritage;

15 ~~(5)~~ (6) Promotion of Hawaii, through a coordinated
16 statewide effort, as a place to do business, including



1 high technology business, and as a business
2 destination;
3 ~~[(6)]~~ (7) Reduction of barriers to travel;
4 ~~[(7)]~~ (8) Marketing, management, use, operation, or
5 maintenance of the convention center facility,
6 including the purchase or sale of goods or services,
7 logo items, concessions, sponsorships, and license
8 agreements, or any use of the convention center
9 facility as a commercial enterprise; provided that
10 effective January 1, 2003, and thereafter the contract
11 for management of the convention center facility shall
12 include marketing for all uses of the facility; and
13 ~~[(8)]~~ (9) Any and all other activities necessary to carry
14 out the intent of this chapter;
15 provided that for any contract or agreement valued at \$25,000
16 and over, the authority shall provide notice to the speaker of
17 the house of representatives and the president of the senate on
18 the same day that such notification is given to the governor."

19 SECTION 2. Section 237D-2, Hawaii Revised Statutes, is
20 amended as follows:

21 1. By amending subsection (a) to read:



1 "(a) There is levied and shall be assessed and collected
2 each month a tax of:

3 ~~[(1) Five per cent for the period beginning on January 1,~~
4 ~~1987, to June 30, 1994;~~

5 ~~(2) Six per cent for the period beginning July 1, 1994, to~~
6 ~~December 31, 1998; and~~

7 ~~(3)]~~ (1) 7.25 per cent for the period beginning on January
8 1, 1999, ~~[and thereafter;]~~ to December 31, 2009; and

9 (2) per cent for the period beginning on January 1,
10 2010, and thereafter;

11 on the gross rental or gross rental proceeds derived from
12 furnishing transient accommodations."

13 2. By amending subsection (c) to read:

14 "(c) There is levied and shall be assessed and collected
15 each month on the occupant of a resort time share vacation unit,
16 a transient accommodations tax of ~~[7.25]~~ ___ per cent on the
17 fair market rental value."

18 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
19 amended by amending subsection (b) to read as follows:

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 the difference in transient accommodations tax
14 proceeds deposited into the tourism special fund that
15 are attributable to the increase in the tax rate as of
16 January 1, 2010, shall be used exclusively for
17 culturally related activities and events under section
18 201B-7(a)(5); provided further that beginning on July
19 1, 2002, of the first \$1,000,000 in revenues
20 deposited:



1 (A) Ninety per cent shall be deposited into the state
2 parks special fund established in section 184-
3 3.4; and
4 (B) Ten per cent shall be deposited into the special
5 land and development fund established in section
6 171-19 for the Hawaii statewide trail and access
7 program;
8 provided that of the 34.2 per cent, 0.5 per cent shall
9 be transferred to a sub-account in the tourism special
10 fund to provide funding for a safety and security
11 budget, in accordance with the Hawaii tourism
12 strategic plan 2005-2015; provided further that of the
13 revenues remaining in the tourism special fund after
14 revenues have been deposited as provided in this
15 paragraph and except for any sum authorized by the
16 legislature for expenditure from revenues subject to
17 this paragraph, beginning July 1, 2007, funds shall be
18 deposited into the tourism emergency trust fund,
19 established in section 201B-10, in a manner sufficient
20 to maintain a fund balance of \$5,000,000 in the
21 tourism emergency trust fund; and



1 (3) 44.8 per cent of the revenues collected under this
2 chapter shall be transferred as follows: Kauai county
3 shall receive 14.5 per cent, Hawaii county shall
4 receive 18.6 per cent, city and county of Honolulu
5 shall receive 44.1 per cent, and Maui county shall
6 receive 22.8 per cent.

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

11 SECTION 4. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 5. This Act shall take effect upon its approval
14 and apply to taxable years beginning after December 31, 2009.

15

INTRODUCED BY: Clarence K. Frisvold



Report Title:

Transient Accommodations Tax; Culturally-Related Programs

Description:

Provides a vehicle to increase the TAT to pay for culturally-related programs.

