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# 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 increase the transient accommodations tax rate on resort time  
3 share vacation units and to deposit the amount collected from  
4 the increase into the general fund. The rate on resort time  
5 share vacation units is increased to the same rate as that  
6 applicable to transient accommodations units. The legislature  
7 finds that this increase achieves fairness in the application of  
8 the transient accommodations tax.

9           The legislature notes that this Act does not amend the  
10 definition of "fair market rental value" of a resort time share  
11 vacation unit.

12           SECTION 2. Section 237D-2, Hawaii Revised Statutes, is  
13 amended by amending subsection (d) to read as follows:

14           "(d) For resort time share vacation units:

15           (1) There is levied and shall be assessed and collected  
16 each month[7] on the occupant of a resort time share  
17 vacation unit, a transient accommodations tax of 7.25  
18 per cent on the fair market rental value[7]; and



1       (2) For the period beginning July 1, 2011, to June 30,  
2       2015, there is levied and shall be assessed and  
3       collected each month on the occupant of a resort time  
4       share vacation unit an additional 2.00 per cent on the  
5       fair market rental value."

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

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

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

20      (2) 34.2 per cent of the revenues collected under this  
21      chapter shall be deposited into the tourism special  
22      fund established under section 201B-11 for tourism



1 promotion and visitor industry research; provided that  
2 ~~[beginning]~~;

3 (A) Beginning on July 1, 2002, of the first  
4 \$1,000,000 in revenues deposited:

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

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

12 ~~[provided that of]~~

13 (B) Of the 34.2 per cent, 0.5 per cent shall be  
14 transferred to a sub-account in the tourism  
15 special fund to provide funding for a safety and  
16 security budget, in accordance with the Hawaii  
17 tourism strategic plan 2005-2015; ~~[provided~~  
18 ~~further that of]~~; and

19 (C) Of the revenues remaining in the tourism special  
20 fund after revenues have been deposited as  
21 provided in this paragraph and except for any sum  
22 authorized by the legislature for expenditure



1 from revenues subject to this paragraph,  
2 beginning July 1, 2007, funds shall be deposited  
3 into the tourism emergency trust fund,  
4 established in section 201B-10, in a manner  
5 sufficient to maintain a fund balance of  
6 \$5,000,000 in the tourism emergency trust fund;  
7 [and]

8 (3) 44.8 per cent of the revenues collected under this  
9 chapter shall be transferred as follows: Kauai county  
10 shall receive 14.5 per cent, Hawaii county shall  
11 receive 18.6 per cent, city and county of Honolulu  
12 shall receive 44.1 per cent, and Maui county shall  
13 receive 22.8 per cent [~~-~~]; and

14 (4) Revenues collected under [~~section~~]:

15 (A) Section 237D-2(b); and

16 (B) Section 237D-2(d)(2) from July 1, 2011 to June  
17 30, 2015;

18 shall be deposited into the general fund.

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



1           SECTION 4. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3           SECTION 5. This Act shall take effect on July 1, 2011.



**Report Title:**

Time Share Units; Transient Accommodations Tax; Increase

**Description:**

Temporarily increases from 7/1/11 to 6/30/15 the transient accommodations tax rate on time share units. (HD2 Proposed)

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

