



GOV. MSG. NO. **1206**

EXECUTIVE CHAMBERS  
HONOLULU

NEIL ABERCROMBIE  
GOVERNOR

June 9, 2011

The Honorable Shan Tsutsui, President  
and Members of the Senate  
Twenty-Sixth State Legislature  
State Capitol, Room 409  
Honolulu, Hawaii 96813

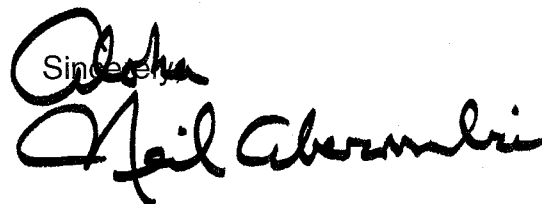
The Honorable Calvin Say, Speaker  
and Members of the House  
Twenty-Sixth State Legislature  
State Capitol, Room 431  
Honolulu, Hawaii 96813

Dear President Tsutsui, Speaker Say and Members of the Legislature:

This is to inform you that on June 9, 2011, the following bill was signed into law:

SB1186 SD2 HD1 CD1

RELATING TO THE TRANSIENT  
ACCOMMODATIONS TAX  
**Act 103 (11)**

Sincerely,  


NEIL ABERCROMBIE  
Governor, State of Hawaii

Approved by the Governor

on JUN 9 2011

THE SENATE  
TWENTY-SIXTH LEGISLATURE, 2011  
STATE OF HAWAII

**ACT 103**  
S.B. NO. 1186  
S.D. 2  
H.D. 1  
C.D. 1

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## A BILL FOR AN ACT

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RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

1 SECTION 1. Section 237D-2, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "§237D-2 Imposition and rates. (a) There is levied and  
4 shall be assessed and collected each month a tax of:

5 (1) Five per cent for the period beginning on January 1,  
6 1987, to June 30, 1994;

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

9 (3) 7.25 per cent for the period beginning on January 1,  
10 1999, and thereafter;

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

13 (b) There is levied and shall be assessed and collected  
14 each month an additional:

15 (1) One per cent for the period beginning July 1, 2009, to  
16 June 30, 2010; and

17 (2) Two per cent for the period beginning July 1, 2010, to  
18 June 30, 2015;



1 on the gross rental or gross rental proceeds derived from  
2 furnishing transient accommodations. The rate levied and  
3 assessed under this subsection shall be additional to the rate  
4 levied and assessed under [~~section 237D-2(a)(3).~~] subsection  
5 (a)(3).

6 (c) There is levied and shall be assessed and collected  
7 each month a daily tax of \$10 for every transient accommodation  
8 that is furnished on a complimentary or gratuitous basis, or  
9 otherwise at no charge, including transient accommodations  
10 furnished as part of a package.

11 [~~(e)~~] (d) Every operator shall pay to the State the tax  
12 imposed by subsections (a) [~~and~~], (b), and (c), as applicable,  
13 as provided in this chapter.

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

18 [~~(e)~~] (f) Every plan manager shall be liable for and pay  
19 to the State the transient accommodations tax imposed by  
20 subsection [~~(d)~~] (e) as provided in this chapter. Every resort  
21 time share vacation plan shall be represented by a plan manager  
22 who shall be subject to this chapter."



1 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is  
2 amended by amending subsection (b) to read as follows:

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

7 (1) 17.3 per cent of the revenues collected under this  
8 chapter shall be deposited into the convention center  
9 enterprise special fund established under section  
10 201B-8; provided that beginning January 1, 2002, if  
11 the amount of the revenue collected under this  
12 paragraph exceeds \$33,000,000 in any calendar year,  
13 revenues collected in excess of \$33,000,000 shall be  
14 deposited into the general fund;

15 (2) 34.2 per cent of the revenues collected under this  
16 chapter shall be deposited into the tourism special  
17 fund established under section 201B-11 for tourism  
18 promotion and visitor industry research; provided that  
19 for any period beginning on July 1, 2011, and ending  
20 on June 30, 2015, no more than \$69,000,000 per fiscal  
21 year shall be deposited into the tourism special fund  
22 established under section 201B-11; and provided



1           further that beginning on July 1, 2002, of the first  
2           \$1,000,000 in revenues deposited:

3           (A) Ninety per cent shall be deposited into the state  
4           parks special fund established in section  
5           184-3.4; and

6           (B) Ten per cent shall be deposited into the special  
7           land and development fund established in section  
8           171-19 for the Hawaii statewide trail and access  
9           program;

10          provided that of the 34.2 per cent, 0.5 per cent shall  
11          be transferred to a sub-account in the tourism special  
12          fund to provide funding for a safety and security  
13          budget, in accordance with the Hawaii tourism  
14          strategic plan 2005-2015; provided further that of the  
15          revenues remaining in the tourism special fund after  
16          revenues have been deposited as provided in this  
17          paragraph and except for any sum authorized by the  
18          legislature for expenditure from revenues subject to  
19          this paragraph, beginning July 1, 2007, funds shall be  
20          deposited into the tourism emergency trust fund,  
21          established in section 201B-10, in a manner sufficient



1 to maintain a fund balance of \$5,000,000 in the  
2 tourism emergency trust fund; and

- 3 (3) 44.8 per cent of the revenues collected under this  
4 chapter shall be transferred as follows: Kauai county  
5 shall receive 14.5 per cent, Hawaii county shall  
6 receive 18.6 per cent, city and county of Honolulu  
7 shall receive 44.1 per cent, and Maui county shall  
8 receive 22.8 per cent [-]; provided that for any period  
9 beginning on July 1, 2011, and ending on June 30,  
10 2015, the total amount transferred to the counties  
11 shall not exceed \$93,000,000 per fiscal year.

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

20 SECTION 4. This Act shall take effect on July 1, 2011;  
21 provided that section 2 of this Act shall be repealed on  
22 June 30, 2015, and section 237D-6.5, Hawaii Revised Statutes,



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

APPROVED this 9 day of JUN, 2011

A handwritten signature in black ink, reading "Neil Abernethy". The signature is written in a cursive style with a large initial "N".

GOVERNOR OF THE STATE OF HAWAII