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# A BILL FOR AN ACT

RELATING TO TAXATION.

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

1           SECTION 1. The purpose of this Act is to temporarily place  
2 a limit on the amount of transient accommodations tax revenues  
3 distributed to the counties. The limit is the lesser of the  
4 following: 44.8 per cent or \$101,978,000 of the transient  
5 accommodations tax revenues collected in a fiscal year. The  
6 figure, \$101,978,000, represents the amount of transient  
7 accommodations tax revenues distributed to the counties in  
8 fiscal year 2009-2010, the last year for which actual data is  
9 available to the legislature.

10           This Act takes effect on July 1, 2011, and sunsets on June  
11 30, 2015.

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

14           "(b) Revenues collected under this chapter, except for  
15 revenues collected under section 237D-2(b), shall be distributed  
16 as follows, with the excess revenues to be deposited into the  
17 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          beginning on July 1, 2002, of the first \$1,000,000 in  
14          revenues deposited:
- 15           (A) Ninety per cent shall be deposited into the state  
16           parks special fund established in section 184-  
17           3.4; and
- 18           (B) Ten per cent shall be deposited into the special  
19           land and development fund established in section  
20           171-19 for the Hawaii statewide trail and access  
21           program;



1 provided that of the 34.2 per cent, 0.5 per cent shall  
2 be transferred to a sub-account in the tourism special  
3 fund to provide funding for a safety and security  
4 budget, in accordance with the Hawaii tourism  
5 strategic plan 2005-2015; provided further that of the  
6 revenues remaining in the tourism special fund after  
7 revenues have been deposited as provided in this  
8 paragraph and except for any sum authorized by the  
9 legislature for expenditure from revenues subject to  
10 this paragraph, beginning July 1, 2007, funds shall be  
11 deposited into the tourism emergency trust fund,  
12 established in section 201B-10, in a manner sufficient  
13 to maintain a fund balance of \$5,000,000 in the  
14 tourism emergency trust fund; and

- 15 (3) 44.8 per cent or \$101,978,000, whichever is less, 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 this  
9 subsection and subsection (b) to the director of finance of each  
10 county to become a general realization of the county expendable  
11 as such, except as otherwise provided by law.

12 Until June 30, 2015, the state director of finance shall  
13 compute the amount due to the counties by January 1 of each  
14 fiscal year on the assumption that the counties' share of the  
15 transient accommodations tax revenues for that fiscal year shall  
16 be \$101,978,000. As to the amount due to the counties before  
17 the following July 1, the state director of finance shall pay  
18 the same amount; except that, if based on the actual transient  
19 accommodations tax revenues derived during the fiscal year, the  
20 counties' share for the entire fiscal year is less than  
21 \$101,978,000, the state director of finance shall pay the  
22 counties an appropriately adjusted amount."



1 SECTION 3. New statutory material is underscored.

2 SECTION 4. This Act shall take effect on July 1, 2011, and  
3 shall be repealed on June 30, 2015; provided that section 237D-  
4 6.5, Hawaii Revised Statutes, shall be reenacted in the form in  
5 which it existed on the day prior to the effective date of Act  
6 61, Session Laws of Hawaii 2009.



**Report Title:**

Transient Accommodations Tax; Limitation on Distribution to Counties

**Description:**

Places a limit on the amount of transient accommodations tax revenues distributed to the counties. Effective 07/01/2011 and sunsets 06/30/2015. (HD1 Proposed)

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

