

JAN 28 2011

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## SENATE RESOLUTION

URGING THE GOVERNOR TO PRESERVE THE COUNTIES' SHARE OF THE  
TRANSIENT ACCOMMODATIONS TAX.

1           WHEREAS, the transient accommodations tax is a tax levied  
2 by the State on the proceeds derived from furnishing transient  
3 accommodations; and  
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5           WHEREAS, Act 185, Session Laws of Hawaii 1990, gave the  
6 counties a share of the transient accommodations tax; and  
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8           WHEREAS, according to Conference Committee Report No. 207  
9 (1990), the purpose of Act 185 was to provide a more equitable  
10 method of sharing state revenues with the counties, rather than  
11 continuing with the system that existed at the time whereby the  
12 counties requested financial assistance through grants-in-aid  
13 from the State; and  
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15           WHEREAS, the county share of the tax also provides more  
16 stability to county finances and enables improved budgeting and  
17 planning; and  
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19           WHEREAS, currently, 44.8% of the total transient  
20 accommodations tax collected by the State is distributed to the  
21 counties and, of this amount, the revenue is allocated as  
22 follows:  
23

24	Kauai County	14.5%
25	Hawaii County	18.6%
26	City and County of Honolulu	44.1%
27	Maui County	<u>22.8%</u>
28		100.0%

29  
30 and  
31



# S.R. NO. 9

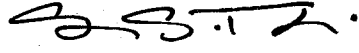
1 WHEREAS, on Kauai, the transient accommodations tax  
 2 accounts for approximately 7.8% of Kauai's general fund budget;  
 3 on Hawaii, the transient accommodations tax accounts for  
 4 approximately 5.5% of Hawaii County's general fund budget; on  
 5 Maui, the transient accommodations tax accounts for  
 6 approximately 3.9% of Maui's general fund budget; and on Oahu,  
 7 the transient accommodations tax accounts for approximately 3.2%  
 8 of Honolulu's general fund budget; and  
 9

10 WHEREAS, maintaining the current allocation of the  
 11 transient accommodations tax would allow the counties to  
 12 continue providing essential government services to visitors and  
 13 residents; and  
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15 WHEREAS, losing the current allocation of the transient  
 16 accommodations tax would require counties to significantly raise  
 17 property taxes; now, therefore,  
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19 BE IT RESOLVED by the Senate of the Twenty-sixth  
 20 Legislature of the State of Hawaii, Regular Session of 2011,  
 21 that the Governor is urged to preserve the counties' share of  
 22 the transient accommodations tax; and  
 23

24 BE IT FURTHER RESOLVED that certified copies of this  
 25 Resolution be transmitted to the Governor, the President of the  
 26 Hawaii State Association of Counties, and the Mayors of the  
 27 counties of Kauai, Hawaii, Maui, and the City and County of  
 28 Honolulu.  
 29  
 30  
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OFFERED BY:   
 By Request

