

S.B. NO. 1004

JAN 24 2013

A BILL FOR AN ACT

RELATING TO THE WORKS OF ART SPECIAL FUND.

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

1 SECTION 1. The purpose of this Act is to authorize the
2 transfer of a fixed amount from the transient accommodations tax
3 to the works of art special fund for the promotion and
4 advancement of Hawaiian culture and the arts and to support
5 organizations that honor and perpetuate Hawaiian culture and the
6 arts.

7 SECTION 2. Section 103-8.5, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§103-8.5 Works of art special fund. (a) There is
10 created a works of art special fund, into which shall be
11 transferred ~~[one]~~:

12 (1) One per cent of all state fund appropriations for
13 capital improvements designated for the construction
14 cost element; provided that this transfer shall apply
15 only to capital improvement appropriations that are
16 designated for the construction or renovation of state
17 buildings~~[-]~~; and

1 (2) The share of transient accommodations tax revenues
2 collected pursuant to section 237D-6.5(b) designated
3 to this section.

4 The one per cent transfer requirement pursuant to paragraph (1)
5 shall not apply to appropriations from the passenger facility
6 charge special fund established by section 261-5.5 and the
7 rental motor vehicle customer facility charge special fund
8 established under section 261-5.6.

9 (b) The one per cent transfer requirement pursuant to
10 subsection (a)(1) to the works of art special fund shall be used
11 solely for the following purposes:

12 (1) Costs related to the acquisition of works of art,
13 including any consultant or staff services required to
14 carry out the art in public places and relocatable
15 works of art programs;

16 (2) Site modifications, display, and interpretive work
17 necessary for the exhibition of works of art;

18 (3) Upkeep services, including maintenance, repair, and
19 restoration of works of art;

20 (4) Storing and transporting works of art.

21 (c) The one per cent amount, which is included in all
22 capital improvement appropriations, shall be calculated at the
23 time the appropriation bills are signed into law. The moneys

1 shall be transferred into the works of art special fund upon
2 availability of moneys from the appropriations. Each agency
3 receiving capital improvement appropriations shall calculate the
4 one per cent amount and transfer the moneys into the works of
5 art special fund.

6 (d) The comptroller and the state foundation on culture
7 and the arts shall decide on the specific art objects to
8 acquire, giving first consideration to placing appropriate
9 pieces of art at the locations of the original appropriation.

10 The selection of, commissioning artists for, reviewing of
11 design, execution, and placement of, and the acceptance of works
12 of art shall be the responsibility of the comptroller and the
13 state foundation on culture and the arts in consultation with
14 the affected agency or department.

15 Expenditures from the works of art special fund shall be
16 made by the comptroller.

17 (e) The comptroller shall:

18 (1) Provide each agency receiving capital improvement
19 appropriations with information regarding items that
20 shall be included and excluded from the one per cent
21 amount;

22 (2) Ensure that each agency calculates its one per cent
23 amount correctly; and

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1 (3) Ensure that each agency transfers the correct amount
2 to the works of art special fund in a timely manner.

3 (f) The comptroller and the executive director shall track
4 amounts due from each agency under the one per cent requirement
5 as provided in this section.

6 (g) The amount transferred from the transient
7 accommodations tax revenues to the works of art special fund
8 pursuant to section 237D-6.5(b) shall be used as follows:

9 (1) For the promotion and advancement of Hawaiian culture
10 and arts; and

11 (2) To support organizations that honor and perpetuate
12 Hawaiian culture and arts."

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

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

19 (1) 17.3 per cent of the revenues collected under this
20 chapter shall be deposited into the convention center
21 enterprise special fund established under section
22 201B-8; provided that beginning January 1, 2002, if
23 the amount of revenue collected under this paragraph

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1 exceeds \$33,000,000 in any fiscal year, revenues
2 collected in excess of \$33,000,000 shall be deposited
3 into the general fund;

4 (2) 34.2 per cent of the revenues collected under this
5 chapter shall be deposited into the tourism special
6 fund established under section 201B-11 for tourism
7 promotion and visitor industry research; provided that
8 for any period beginning on July 1, 2012, and ending
9 on June 30, 2015, no more than \$71,000,000 per fiscal
10 year shall be deposited into the tourism special fund
11 established under section 201B-11; provided further
12 that beginning on July 1, 2012, and ending on June 30,
13 2015, \$2,000,000 shall be expended from the tourism
14 special fund for development and implementation of
15 initiatives to take advantage of expanded visa
16 programs and increased travel opportunities for
17 international visitors to Hawaii; and provided further
18 that beginning on July 1, 2002, of the first
19 \$1,000,000 in revenues deposited:

20 (A) Ninety per cent shall be deposited into the state
21 parks special fund established in section 184-
22 3.4; and

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1 (B) Ten per cent shall be deposited into the special
2 land and development fund established in section
3 171-19 for the Hawaii statewide trail and access
4 program;

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

19 (3) 44.8 per cent of the revenues collected under this
20 chapter shall be transferred as follows: Kauai county
21 shall receive 14.5 per cent, Hawaii county shall
22 receive 18.6 per cent, city and county of Honolulu
23 shall receive 44.1 per cent, and Maui county shall

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1 receive 22.8 per cent; provided that for any period
2 beginning on July 1, 2011, and ending on June 30,
3 2015, the total amount transferred to the counties
4 shall not exceed \$93,000,000 per fiscal year.

5 ~~[Revenues collected under section 237D-2(b) shall be~~
6 ~~deposited into the general fund.]~~ All transient accommodations
7 taxes shall be paid into the state treasury each month within
8 ten days after collection and shall be kept by the state
9 director of finance in special accounts for distribution as
10 provided in this subsection. Beginning on July 1, 2013,
11 \$2,500,000 per fiscal year of the revenues collected under this
12 chapter shall be deposited into the works of art special fund
13 established under section 103-8.5 for purposes of the promotion,
14 advancement, and support of Hawaiian culture and arts.

15 As used in this subsection, "fiscal year" means the twelve-
16 month period beginning on July 1 of a calendar year and ending
17 on June 30 of the following calendar year."

18 SECTION 4. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 5. This Act shall take effect upon its approval;
21 provided that the amendments made to section 237D-6.5, Hawaii
22 Revised Statutes, made by this Act shall not be repealed when
23 those sections are reenacted on June 30, 2015, pursuant to

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1 section 4 of Act 16, Session Laws of Hawaii 2009, and section 4
2 of Act 103, Session Laws of Hawaii 2011.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "James M. ...", is written over a horizontal line.

5

BY REQUEST

S.B. NO. 1004

Report Title:

Works of Art Special Fund; Transient Accommodations Tax Revenues

Description:

Authorizes the transfer of a portion of the Transient Accommodations Tax revenues to the Works of Art Special fund for the promotion, advancement, and support of Hawaiian culture and the arts.

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

JUSTIFICATION SHEET

DEPARTMENT: Accounting and General Services

TITLE: A BILL FOR AN ACT RELATING TO THE WORKS OF ART SPECIAL FUND.

PURPOSE: The purpose of this bill is to authorize the transfer of a fixed amount from the Transient Accommodations Tax revenues to the Works of Art Special Fund for the promotion and advancement of Hawaiian culture and the arts and to support organizations that honor and perpetuate Hawaiian culture and the arts.

MEANS: Amend sections 103-8.5 and 237D-6.5(b), Hawaii Revised Statutes.

JUSTIFICATION: Currently, the Works of Art Special Fund receives one percent of the construction cost element amounts for state fund appropriations for capital improvement projects. However, the use of these funds is limited because of the source of funding. Using Transient Accommodations Tax revenues for the promotion of Hawaiian culture and the arts is mutually beneficial.

Impact on the public: Improved access to Hawaiian culture and the arts.

Impact on the department and other agencies: None.

GENERAL FUND: Pending.

OTHER FUNDS: Pending.

PPBS PROGRAM DESIGNATION: AGS 881.

OTHER AFFECTED AGENCIES: Department of Taxation.

EFFECTIVE DATE: Upon approval.