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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. Section 171-19, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:  
3           "(a) There is created in the department a special fund to  
4 be designated as the "special land and development fund".  
5 Subject to the Hawaiian Homes Commission Act of 1920, as  
6 amended, and section 5(f) of the Admission Act of 1959, all  
7 proceeds of sale of public lands, including interest on deferred  
8 payments; all moneys collected under section 171-58 for mineral  
9 and water rights; all rents from leases, licenses, and permits  
10 derived from public lands; all moneys collected from lessees of  
11 public lands within industrial parks; all fees, fines, and other  
12 administrative charges collected under this chapter and chapter  
13 183C; a portion of the highway fuel tax collected under chapter  
14 243; all moneys collected by the department for the commercial  
15 use of public trails and trail accesses under the jurisdiction  
16 of the department; transient accommodations tax revenues  
17 collected pursuant to section [~~237D-6.5(b)(2)~~] 237D-6.5(b)(4);  
18 and private contributions for the management, maintenance, and



1 development of trails and accesses shall be set apart in the  
2 fund and shall be used only as authorized by the legislature for  
3 the following purposes:

- 4 (1) To reimburse the general fund of the State for  
5 advances made that are required to be reimbursed from  
6 the proceeds derived from sales, leases, licenses, or  
7 permits of public lands;
- 8 (2) For the planning, development, management, operations,  
9 or maintenance of all lands and improvements under the  
10 control and management of the board[, ] pursuant to  
11 title 12, including but not limited to permanent or  
12 temporary staff positions who may be appointed without  
13 regard to chapter 76; provided that transient  
14 accommodations tax revenues allocated pursuant to  
15 section 237D-6.5(b)(4) shall only be allocated and  
16 expended according to the mutual agreement of the  
17 board of land and natural resources and the board of  
18 directors of the Hawaii tourism authority in  
19 accordance with the Hawaii tourism authority strategic  
20 plan as provided in section 237D-6.5(b)(4), including  
21 allocations to the:



- 1           (A) Beach restoration special fund, established
- 2                   pursuant to section 171-156;
- 3           (B) State parks special fund, established pursuant to
- 4                   section 184-3.4;
- 5           (C) Hawaii statewide trail and access program,
- 6                   established pursuant to section 198D-2; and
- 7           (D) Conservation and resources enforcement special
- 8                   fund, established pursuant to section 199-1.5;
- 9       (3) To repurchase any land, including improvements, in the
- 10           exercise by the board of any right of repurchase
- 11           specifically reserved in any patent, deed, lease, or
- 12           other documents or as provided by law;
- 13       (4) For the payment of all appraisal fees; provided that
- 14           all fees reimbursed to the board shall be deposited in
- 15           the fund;
- 16       (5) For the payment of publication notices as required
- 17           under this chapter; provided that all or a portion of
- 18           the expenditures may be charged to the purchaser or
- 19           lessee of public lands or any interest therein under
- 20           rules adopted by the board;



- 1 (6) For the management, maintenance, and development of
- 2 trails and trail accesses under the jurisdiction of
- 3 the department;
- 4 (7) For the payment to private land developers who have
- 5 contracted with the board for development of public
- 6 lands under section 171-60;
- 7 (8) For the payment of debt service on revenue bonds
- 8 issued by the department, and the establishment of
- 9 debt service and other reserves deemed necessary by
- 10 the board;
- 11 (9) To reimburse the general fund for debt service on
- 12 general obligation bonds issued to finance
- 13 departmental projects, where the bonds are designated
- 14 to be reimbursed from the special land and development
- 15 fund;
- 16 (10) For the protection, planning, management, and
- 17 regulation of water resources under chapter 174C; and
- 18 (11) For other purposes of this chapter."

19 SECTION 2. Section 171-156, Hawaii Revised Statutes, is  
20 amended by amending subsection (a) to read as follows:

21 "(a) There is established in the state treasury a special  
22 fund to be designated as the "beach restoration special fund" to



1 carry out the purposes of this part. The following moneys shall  
2 be deposited into the beach restoration special fund:

- 3 (1) Proceeds from the lease or development of public  
4 coastal lands designated pursuant to a beach  
5 restoration plan, subject to the Hawaiian Homes  
6 Commission Act of 1920, as amended, and section 5(f)  
7 of the Admission Act of 1959;
- 8 (2) Proceeds from the lease of public lands pursuant to  
9 this part for an existing seawall or revetment;
- 10 (3) Fines collected for unauthorized shoreline structures  
11 on state submerged land or conservation district land;
- 12 (4) Appropriations made by the legislature for deposit  
13 into this fund;
- 14 (5) Donations and contributions made by private  
15 individuals or organizations for deposit into this  
16 fund;
- 17 (6) Fees collected for the processing of applications for  
18 coastal and beach erosion control projects; [~~and~~]
- 19 (7) Grants provided by governmental agencies or any other  
20 source [~~-~~]; and
- 21 (8) Funds allocated from the transient accommodations tax  
22 revenues pursuant to section 171-19(a)(2)."



1 SECTION 3. Section 184-3.4, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) There is established within the state treasury a fund  
4 to be known as the state parks special fund, into which shall be  
5 deposited:

6 (1) All proceeds collected by the state parks programs  
7 involving park user fees, any leases or concession  
8 agreements, the sale of any article purchased from the  
9 department to benefit the state parks programs, or any  
10 gifts or contributions; provided that proceeds derived  
11 from the operation of Iolani Palace shall be used to  
12 supplement its educational and interpretive programs;  
13 and

14 (2) Transient accommodations tax revenues pursuant to  
15 section ~~[237D-6.5; provided that these moneys shall be~~  
16 ~~expended in response to a master plan developed in~~  
17 ~~coordination with the Hawaii tourism authority.]~~  
18 171-19(a)(2)."

19 SECTION 4. Section 198D-2, Hawaii Revised Statutes, is  
20 amended as follows:

21 1. By amending subsection (b) to read:

1           "(b) The trail and access program shall use funding for  
2 the management, maintenance, and development of trails and trail  
3 accesses under the jurisdiction of the department from the  
4 following sources:

- 5           (1) A portion of the highway fuel taxes collected under  
6           chapter 243;
- 7           (2) Federal government grants;
- 8           (3) Private contributions;
- 9           (4) Fees, established pursuant to administrative rules and  
10           charged by the department for the commercial and other  
11           use of trails and trail accesses under the  
12           jurisdiction of the department; and
- 13           (5) Transient accommodations tax revenues pursuant to  
14           section ~~[237D-6.5-]~~ 171-19(a)(2)."

15           2. By amending subsection (d) to read:

16           "(d) The moneys specified in subsection (b)(1), (3), and  
17 (4) ~~[, and (5)]~~ shall be deposited in the special land and  
18 development fund under section 171-19 for the management,  
19 maintenance, and development of trails and trail accesses under  
20 the jurisdiction of the department~~[, provided that the moneys~~  
21 ~~specified in subsection (b)(5) shall be expended for the~~  
22 ~~management, maintenance, and development of trails and access~~



1 ~~areas frequented by visitors in response to a master plan~~  
2 ~~developed in coordination with the Hawaii tourism authority]."~~

3 SECTION 5. Section 199-1.5, Hawaii Revised Statutes, is  
4 amended by amending subsection (b) to read as follows:

5 "(b) The following shall be deposited into the  
6 conservation and resources enforcement special fund:

7 (1) Grants, awards, donations, gifts, transfers, or moneys  
8 derived from public or private sources for the  
9 purposes of enforcing the provisions of title 12;  
10 chapters 6D, 6E, and 6K; or any rule adopted  
11 thereunder;

12 (2) Fees, reimbursements, administrative charges, and  
13 penalties collected for activities related to the  
14 enforcement of natural, cultural, and historic  
15 resources protection laws and rules, except as  
16 otherwise provided by law that provides for deposits  
17 into other special funds administered by the  
18 department;

19 (3) Moneys derived from interest, dividends, or other  
20 income from the above-mentioned sources; [and]

21 (4) Appropriations by the legislature to the special  
22 fund[-]; and





1        (5) Transient accommodations tax revenues pursuant to  
2        section 171-19(a)(2)."

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

5        "(b) Revenues collected under this chapter shall be  
6 distributed as follows, with the excess revenues to be deposited  
7 into the general fund:

8        (1) \$33,000,000 shall be allocated to the convention  
9 center enterprise special fund established under  
10 section 201B-8;

11        (2) \$82,000,000 shall be allocated to the tourism special  
12 fund established under section 201B-11; provided that:

13        (A) Beginning on July 1, 2012, and ending on June 30,  
14 2015, \$2,000,000 shall be expended from the  
15 tourism special fund for development and  
16 implementation of initiatives to take advantage  
17 of expanded visa programs and increased travel  
18 opportunities for international visitors to  
19 Hawaii;

20        (B) Of the \$82,000,000 allocated:

21        (i) \$1,000,000 shall be allocated for the  
22 operation of a Hawaiian center and the



1 museum of Hawaiian music and dance at the  
2 Hawaii convention center; and

3 (ii) 0.5 per cent of the \$82,000,000 shall be  
4 transferred to a sub-account in the tourism  
5 special fund to provide funding for a safety  
6 and security budget, in accordance with the  
7 Hawaii tourism strategic plan 2005-2015; and

8 (C) Of the revenues remaining in the tourism special  
9 fund after revenues have been deposited as  
10 provided in this paragraph and except for any sum  
11 authorized by the legislature for expenditure  
12 from revenues subject to this paragraph,  
13 beginning July 1, 2007, funds shall be deposited  
14 into the tourism emergency trust fund,  
15 established in section 201B-10, in a manner  
16 sufficient to maintain a fund balance of  
17 \$5,000,000 in the tourism emergency trust fund;

18 (3) \$93,000,000 shall be allocated as follows: Kauai  
19 county shall receive 14.5 per cent, Hawaii county  
20 shall receive 18.6 per cent, city and county of  
21 Honolulu shall receive 44.1 per cent, and Maui county  
22 shall receive 22.8 per cent; provided that commencing



1 with fiscal year 2018-2019, a sum that represents the  
2 difference between a county public employer's annual  
3 required contribution for the separate trust fund  
4 established under section 87A-42 and the amount of the  
5 county public employer's contributions into that trust  
6 fund shall be retained by the state director of  
7 finance and deposited to the credit of the county  
8 public employer's annual required contribution into  
9 that trust fund in each fiscal year, as provided in  
10 section 87A-42, if the respective county fails to  
11 remit the total amount of the county's required annual  
12 contributions, as required under section 87A-43; and  
13 (4) ~~[Of the excess revenues deposited into the general~~  
14 ~~fund pursuant to this subsection,]~~ \$3,000,000 shall be  
15 allocated to the special land and development fund,  
16 established pursuant to section 171-19, subject to the  
17 mutual agreement of the board of land and natural  
18 resources and the board of directors of the Hawaii  
19 tourism authority in accordance with the Hawaii  
20 tourism authority strategic plan for:



- 1 (A) The protection, preservation, and enhancement of
- 2 natural resources important to the visitor
- 3 industry;
- 4 (B) Planning, construction, and repair of facilities;
- 5 and
- 6 (C) Operation and maintenance costs of public lands
- 7 connected with enhancing the visitor experience.

8 All transient accommodations taxes shall be paid into the  
9 state treasury each month within ten days after collection and  
10 shall be kept by the state director of finance in special  
11 accounts for distribution as provided in this subsection.

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

15 SECTION 7. Statutory material to be repealed is bracketed  
16 and stricken. New statutory material is underscored.

17 SECTION 8. This Act shall take effect on July 1, 2050.

**Report Title:**

Transient Accommodations Tax; Special Land and Development Fund;  
Beach Restoration Special Fund; State Parks Special Fund

**Description:**

Specifies the distribution and allowable uses, subject to agreement between the HTA and the BLNR, of transient accommodations tax revenues allocated to the special land and development fund for resource and facilities management costs related to the HTA's strategic plan. Effective 7/1/2050. (SD2)

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

