
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);

21 (3) To repurchase any land, including improvements, in the
22 exercise by the board of any right of repurchase



- 1 specifically reserved in any patent, deed, lease, or
2 other documents or as provided by law;
- 3 (4) For the payment of all appraisal fees; provided that
4 all fees reimbursed to the board shall be deposited in
5 the fund;
- 6 (5) For the payment of publication notices as required
7 under this chapter; provided that all or a portion of
8 the expenditures may be charged to the purchaser or
9 lessee of public lands or any interest therein under
10 rules adopted by the board;
- 11 (6) For the management, maintenance, and development of
12 trails and trail accesses under the jurisdiction of
13 the department;
- 14 (7) For the payment to private land developers who have
15 contracted with the board for development of public
16 lands under section 171-60;
- 17 (8) For the payment of debt service on revenue bonds
18 issued by the department, and the establishment of
19 debt service and other reserves deemed necessary by
20 the board;
- 21 (9) To reimburse the general fund for debt service on
22 general obligation bonds issued to finance



1 departmental projects, where the bonds are designated
2 to be reimbursed from the special land and development
3 fund;

4 (10) For the protection, planning, management, and
5 regulation of water resources under chapter 174C; and

6 (11) For other purposes of this chapter."

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

9 "(a) There is established in the state treasury a special
10 fund to be designated as the "beach restoration special fund" to
11 carry out the purposes of this part. The following moneys shall
12 be deposited into the beach restoration special fund:

13 (1) Proceeds from the lease or development of public
14 coastal lands designated pursuant to a beach
15 restoration plan, subject to the Hawaiian Homes
16 Commission Act of 1920, as amended, and section 5(f)
17 of the Admission Act of 1959;

18 (2) Proceeds from the lease of public lands pursuant to
19 this part for an existing seawall or revetment;

20 (3) Fines collected for unauthorized shoreline structures
21 on state submerged land or conservation district land;



- 1 (4) Appropriations made by the legislature for deposit
2 into this fund;
- 3 (5) Donations and contributions made by private
4 individuals or organizations for deposit into this
5 fund;
- 6 (6) Fees collected for the processing of applications for
7 coastal and beach erosion control projects; [~~and~~]
- 8 (7) Grants provided by governmental agencies or any other
9 source[~~-~~]; and
- 10 (8) Funds allocated from the transient accommodations tax
11 revenues pursuant to section 171-19(a)(2)."

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

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

- 17 (1) All proceeds collected by the state parks programs
18 involving park user fees, any leases or concession
19 agreements, the sale of any article purchased from the
20 department to benefit the state parks programs, or any
21 gifts or contributions; provided that proceeds derived
22 from the operation of Iolani Palace shall be used to



1 supplement its educational and interpretive programs;

2 and

3 (2) Transient accommodations tax revenues pursuant to
4 section [~~237D-6.5; provided that these moneys shall be~~
5 ~~expended in response to a master plan developed in~~
6 ~~coordination with the Hawaii tourism authority.~~] 171-
7 19(a)(2)."

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

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

11 "(b) The trail and access program shall use funding for
12 the management, maintenance, and development of trails and trail
13 accesses under the jurisdiction of the department from the
14 following sources:

15 (1) A portion of the highway fuel taxes collected under
16 chapter 243;

17 (2) Federal government grants;

18 (3) Private contributions;

19 (4) Fees, established pursuant to administrative rules and
20 charged by the department for the commercial and other
21 use of trails and trail accesses under the
22 jurisdiction of the department; and



1 (5) Transient accommodations tax revenues pursuant to
2 section [~~237D-6.5.~~] 171-19(a)(2)."

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

4 "(d) The moneys specified in subsection (b)(1), (3), and
5 (4) [~~and (5)~~] shall be deposited in the special land and
6 development fund under section 171-19 for the management,
7 maintenance, and development of trails and trail accesses under
8 the jurisdiction of the department [~~provided that the moneys~~
9 ~~specified in subsection (b)(5) shall be expended for the~~
10 ~~management, maintenance, and development of trails and access~~
11 ~~areas frequented by visitors in response to a master plan~~
12 ~~developed in coordination with the Hawaii tourism authority]."~~

13 SECTION 5. 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 shall be
16 distributed as follows, with the excess revenues to be deposited
17 into the general fund:

18 (1) \$33,000,000 shall be allocated to the convention
19 center enterprise special fund established under
20 section 201B-8;

21 (2) \$82,000,000 shall be allocated to the tourism special
22 fund established under section 201B-11; provided that:



- 1 (A) Beginning on July 1, 2012, and ending on June 30,
2 2015, \$2,000,000 shall be expended from the
3 tourism special fund for development and
4 implementation of initiatives to take advantage
5 of expanded visa programs and increased travel
6 opportunities for international visitors to
7 Hawaii;
- 8 (B) Of the \$82,000,000 allocated:
 - 9 (i) \$1,000,000 shall be allocated for the
10 operation of a Hawaiian center and the
11 museum of Hawaiian music and dance at the
12 Hawaii convention center; and
 - 13 (ii) 0.5 per cent of the \$82,000,000 shall be
14 transferred to a sub-account in the tourism
15 special fund to provide funding for a safety
16 and security budget, in accordance with the
17 Hawaii tourism strategic plan 2005-2015; and
- 18 (C) Of the revenues remaining in the tourism special
19 fund after revenues have been deposited as
20 provided in this paragraph and except for any sum
21 authorized by the legislature for expenditure
22 from revenues subject to this paragraph,



1 beginning July 1, 2007, funds shall be deposited
2 into the tourism emergency trust fund,
3 established in section 201B-10, in a manner
4 sufficient to maintain a fund balance of
5 \$5,000,000 in the tourism emergency trust fund;

6 (3) \$93,000,000 shall be allocated as follows: Kauai
7 county shall receive 14.5 per cent, Hawaii county
8 shall receive 18.6 per cent, city and county of
9 Honolulu shall receive 44.1 per cent, and Maui county
10 shall receive 22.8 per cent; provided that commencing
11 with fiscal year 2018-2019, a sum that represents the
12 difference between a county public employer's annual
13 required contribution for the separate trust fund
14 established under section 87A-42 and the amount of the
15 county public employer's contributions into that trust
16 fund shall be retained by the state director of
17 finance and deposited to the credit of the county
18 public employer's annual required contribution into
19 that trust fund in each fiscal year, as provided in
20 section 87A-42, if the respective county fails to
21 remit the total amount of the county's required annual
22 contributions, as required under section 87A-43; and



1 (4) ~~[Of the excess revenues deposited into the general~~
2 ~~fund pursuant to this subsection, \$3,000,000]~~
3 \$12,000,000 shall be allocated to the special land and
4 development fund established in section 171-19 subject
5 to the mutual agreement of the board of land and
6 natural resources and the board of directors of the
7 Hawaii tourism authority in accordance with the Hawaii
8 tourism authority strategic plan for:

- 9 (A) The protection, preservation, and enhancement of
10 natural resources important to the visitor
11 industry;
12 (B) Planning, construction, and repair of facilities;
13 and
14 (C) Operation and maintenance costs of public lands
15 connected with enhancing the visitor experience.

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

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

1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 7. This Act shall take effect on July 1, 2014.

4



Report Title:

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

Description:

Allocates \$12,000,000 of the transient accommodations tax revenues to the special land and development fund for the protection, improvement, and construction of natural resources and facilities associated with the visitor experience. (SD1)

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