
A BILL FOR AN ACT

RELATING TO 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); and private
18 contributions for the management, maintenance, and development



1 of trails and accesses shall be set apart in the fund and shall
2 be used only as authorized by the legislature for the following
3 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, including but not
11 limited to permanent or temporary staff positions who
12 may be appointed without regard to chapter 76;
13 provided that transient accommodations tax revenues
14 deposited into the special land and development fund
15 pursuant to section 237D-6.5 shall be expended subject
16 to the mutual agreement of the board of land and
17 natural resources and the board of directors of the
18 Hawaii tourism authority an in accordance with the
19 Hawaii tourism authority strategic plan;

20 (3) To repurchase any land, including improvements, in the
21 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;

6 (11) For invasive species control and mitigation by the
7 invasive species council under chapter 194;

8 (12) To promote reforestation and sediment run-off
9 mitigation; and

10 (13) For other purposes of this chapter."

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

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

17 (1) 17.3 per cent of the revenues collected under this
18 chapter shall be deposited into the convention center
19 enterprise special fund established under section
20 201B-8; provided that beginning January 1, 2002, if
21 the amount of the revenue collected under this
22 paragraph exceeds \$33,000,000 in any fiscal year,



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

3 (2) ~~[34.2]~~ 23.4 per cent of the revenues collected under

4 this chapter shall be deposited into the tourism

5 special fund established under section 201B-11 for

6 tourism promotion and visitor industry research;

7 ~~[provided that for any period beginning on July 1,~~

8 ~~2012, and ending on June 30, 2015, no more than~~

9 ~~\$71,000,000 per fiscal year shall be deposited into~~

10 ~~the tourism special fund established under section~~

11 ~~201B-11; provided further that beginning on July 1,~~

12 ~~2012, and ending on June 30, 2015, \$2,000,000 shall be~~

13 ~~expended from the tourism special fund for development~~

14 ~~and implementation of initiatives to take advantage of~~

15 ~~expanded visa programs and increased travel~~

16 ~~opportunities for international visitors to Hawaii,~~

17 ~~and provided further that beginning on July 1, 2002,~~

18 ~~of the first \$1,000,000 in revenues deposited.~~

19 ~~(A) Ninety per cent shall be deposited into the state~~

20 ~~parks special fund established in section~~

21 ~~184-3.4; [and]~~



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]~~ 23.4 per cent, 0.5 per
6 cent shall be transferred to a sub-account in the
7 tourism special fund to provide funding for a safety
8 and security budget, in accordance with the Hawaii
9 tourism strategic plan 2005-2015; provided further
10 that of the revenues remaining in the tourism special
11 fund after revenues have been deposited as provided in
12 this paragraph and except for any sum authorized by
13 the legislature for expenditure from revenues subject
14 to this paragraph, beginning July 1, 2007, funds shall
15 be 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



1 shall receive 44.1 per cent, and Maui county shall
2 receive 22.8 per cent; provided that for any period
3 beginning on July 1, 2011, and ending on June 30,
4 2015, the total amount transferred to the counties
5 shall not exceed \$93,000,000 per fiscal year[-]; and

6 (4) 1.0 per cent of the revenues collected under this
7 chapter, not to exceed \$4,000,000, shall be deposited
8 as follows:

9 (A) \$2,000,000 into the state parks special fund
10 established in section 184-3.4; provided that any
11 expenditure of funds deposited into the state
12 parks special fund pursuant to this subparagraph
13 shall be matched dollar-for-dollar with
14 appropriations from the general fund and matched
15 dollar-for-dollar by the county in which the park
16 is located;

17 (B) The amount in excess of \$2,000,000 into the
18 special land and development fund established in
19 section 171-19 to be expended for:

20 (i) The protection, preservation, and
21 enhancement of natural resources important
22 to the visitor industry;



- 1 (ii) Planning, construction, and repair of
2 facilities;
- 3 (iii) Operation and maintenance costs of public
4 lands connected with enhancing the visitor
5 experience; and
- 6 (iv) Administrative costs, including salaries for
7 permanent and temporary staff positions.

8 Revenues collected under section 237D-2(b) shall be
9 deposited into the general fund. All transient accommodations
10 taxes shall be paid into the state treasury each month within
11 ten days after collection and shall be kept by the state
12 director of finance in special accounts for distribution as
13 provided in this subsection.

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

17 SECTION 3. Of the amount deposited into the special land
18 and development fund pursuant to this Act, for fiscal year 2013-
19 2014, \$400,000 shall be transferred to the beach restoration
20 special fund under section 171-156, Hawaii Revised Statutes, to
21 provide matching funds for the environmental impact statement



1 associated with the planned beach nourishment project at
2 Kaanapali beach on the island of Maui.

3 SECTION 4. There is appropriated out of the beach
4 restoration fund the sum of \$400,000 or so much thereof as may
5 be necessary for fiscal year 2013-2014, to be matched dollar-
6 for-dollar by the county of Maui, for the environmental impact
7 statement associated with the planned beach nourishment project
8 at Kaanapali beach on the island of Maui; provided that no funds
9 appropriated pursuant to this section shall be expended unless
10 matched dollar-for-dollar with private funds.

11 The sum appropriated shall be expended by the department of
12 land and natural resources for the purposes of this Act.

13 SECTION 5. The department of land and natural resources
14 and the Hawaii tourism authority shall seek additional or
15 supplemental funding from the counties, the federal government,
16 and private entities to accomplish the purposes of this Act.

17 SECTION 6. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

19 SECTION 7. This Act shall take effect on July 1, 2013;
20 provided that:

21 (1) The amendments made to section 171-19(a), Hawaii

22 Revised Statutes, by section 1 of this Act shall not



1 be repealed when that section is reenacted on June 30,
2 2013, pursuant to section 5 of Act 209, Session Laws
3 of Hawaii 2010; and

4 (2) The amendments made to section 237D-6.5(b), Hawaii
5 Revised Statutes, by section 2 of this Act shall not
6 be repealed when that section is reenacted on June 30,
7 2015, pursuant to Act 61, Session Laws of Hawaii 2009,
8 and Act 103, Session Laws of Hawaii 2011.

9



Report Title:

Tourism Special Fund; Conservation and Resources Enforcement
Special Fund; Transient Accommodations Tax

Description:

Makes various amendments regarding the disposition of transient accommodations tax collections. Transfers \$400,000, out of the amounts deposited into the special land and development fund pursuant to this measure, for fiscal year 2013-2014 to the beach restoration special fund and appropriates those funds as matching funds for the environmental impact statement associated with the planned beach nourishment project at Kaanapali Beach on the island of Maui. Requires the department of land and natural resources and the Hawaii tourism authority to seek additional or supplemental funding from the counties, the federal government, and private entities to accomplish the purposes of this Act.
(SD1)

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