

---

---

# 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)(5);



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

- 5 (1) To reimburse the general fund of the State for  
6 advances made that are required to be reimbursed from  
7 the proceeds derived from sales, leases, licenses, or  
8 permits of public lands;
- 9 (2) For the planning, development, management, operations,  
10 or maintenance of all lands and improvements under the  
11 control and management of the board[7] pursuant to  
12 title 12, including but not limited to permanent or  
13 temporary staff positions who may be appointed without  
14 regard to chapter 76; provided that transient  
15 accommodations tax revenues allocated to the fund  
16 shall be expended as provided in section  
17 237D-6.5(b) (5);
- 18 (3) To repurchase any land, including improvements, in the  
19 exercise by the board of any right of repurchase  
20 specifically reserved in any patent, deed, lease, or  
21 other documents or as provided by law;



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



1 to be reimbursed from the special land and development  
2 fund;

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

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

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

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

11 (1) \$26,500,000 shall be allocated to the convention  
12 center enterprise special fund established under  
13 section 201B-8;

14 (2) \$82,000,000 shall be allocated to the tourism special  
15 fund established under section 201B-11; provided that:

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



1 opportunities for international visitors to  
2 Hawaii;

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

4 (i) \$1,000,000 shall be allocated for the  
5 operation of a Hawaiian center and the  
6 museum of Hawaiian music and dance at the  
7 Hawaii convention center; and

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

13 (C) Of the revenues remaining in the tourism special  
14 fund after revenues have been deposited as  
15 provided in this paragraph and except for any sum  
16 authorized by the legislature for expenditure  
17 from revenues subject to this paragraph,  
18 beginning July 1, 2007, funds shall be deposited  
19 into the tourism emergency trust fund,  
20 established in section 201B-10, in a manner



1                   sufficient to maintain a fund balance of  
2                   \$5,000,000 in the tourism emergency trust fund;  
3           (3)   \$103,000,000 for fiscal year 2014-2015, \$103,000,000  
4                   for fiscal year 2015-2016, and \$93,000,000 for each  
5                   fiscal year thereafter shall be allocated as follows:  
6                   Kauai county shall receive 14.5 per cent, Hawaii  
7                   county shall receive 18.6 per cent, city and county of  
8                   Honolulu shall receive 44.1 per cent, and Maui county  
9                   shall receive 22.8 per cent; provided that commencing  
10                  with fiscal year 2018-2019, a sum that represents the  
11                  difference between a county public employer's annual  
12                  required contribution for the separate trust fund  
13                  established under section 87A-42 and the amount of the  
14                  county public employer's contributions into that trust  
15                  fund shall be retained by the state director of  
16                  finance and deposited to the credit of the county  
17                  public employer's annual required contribution into  
18                  that trust fund in each fiscal year, as provided in  
19                  section 87A-42, if the respective county fails to  
20                  remit the total amount of the county's required annual  
21                  contributions, as required under section 87A-43;



- 1           (4) \$3,000,000 shall be allocated to the Turtle Bay  
2           conservation easement special fund established under  
3           section 201B-8.6 for the payment of debt service on  
4           revenue bonds, the proceeds of which were used to  
5           acquire the conservation easement in Turtle Bay, Oahu,  
6           until the bonds are fully amortized; and
- 7           (5) [~~Of the excess revenues deposited into the general~~  
8           ~~fund pursuant to this subsection,~~] \$3,000,000 shall be  
9           allocated [~~subject to the mutual agreement of the~~  
10          ~~board of land and natural resources and the board of~~  
11          ~~directors of the Hawaii tourism authority in~~  
12          ~~accordance with the Hawaii tourism authority strategic~~  
13          ~~plan]~~ to the special land and development fund to be  
14          expended according to a mutual agreement of the board  
15          of land and natural resources and the board of  
16          directors of the Hawaii tourism authority in  
17          accordance with the long-range strategic plan for  
18          tourism developed by the Hawaii tourism authority for:
- 19           (A) The protection, preservation, and enhancement of  
20           natural resources important to the visitor  
21           industry;



- 1 (B) Planning, construction, and repair of facilities;  
2 and  
3 (C) Operation and maintenance costs of public lands  
4 connected with enhancing the visitor experience.

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

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

12 SECTION 3. Statutory material to be repealed is bracketed  
13 and stricken. New statutory material is underscored.

14 SECTION 4. This Act shall take effect on July 1, 2020.





**Report Title:**

Transient Accommodations Tax; Special Land and Development Fund

**Description:**

Clarifies the authority of the Board of Land and Natural Resources and Hawaii Tourism Authority to expend Transient Accommodations Tax revenues deposited into the special land and development fund. (HB1257 HD1)

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

