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

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

6 (1) \$26,500,000 shall be allocated to the convention  
7 center enterprise special fund established under  
8 section 201B-8;

9 (2) \$82,000,000 shall be allocated to the tourism special  
10 fund established under section 201B-11; provided that:

11 ~~[(A) Beginning on July 1, 2012, and ending on June 30,~~  
12 ~~2015, \$2,000,000 shall be expended from the~~  
13 ~~tourism special fund for development and~~  
14 ~~implementation of initiatives to take advantage~~  
15 ~~of expanded visa programs and increased travel~~  
16 ~~opportunities for international visitors to~~  
17 ~~Hawaii;~~



1           ~~(B)~~ (A) Of the \$82,000,000 allocated:

2                   (i) \$1,000,000 shall be allocated for the

3                           operation of a Hawaiian center and the

4                           museum of Hawaiian music and dance at the

5                           Hawaii convention center; and

6           (ii) 0.5 per cent of the \$82,000,000 shall be

7                           transferred to a sub-account in the tourism

8                           special fund to provide funding for a safety

9                           and security budget, in accordance with the

10                          Hawaii tourism strategic plan 2005-2015; and

11           ~~(C)~~ (B) Of the revenues remaining in the tourism

12                          special fund after revenues have been deposited

13                          as provided in this paragraph and except for any

14                          sum authorized by the legislature for expenditure

15                          from revenues subject to this paragraph,

16                          beginning July 1, 2007, funds shall be deposited

17                          into the tourism emergency trust fund,

18                          established in section 201B-10, in a manner

19                          sufficient to maintain a fund balance of

20                          \$5,000,000 in the tourism emergency trust fund;



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



1 section 201B-8.6 for the payment of debt service on  
2 revenue bonds, the proceeds of which were used to  
3 acquire the conservation easement in Turtle Bay, Oahu,  
4 until the bonds are fully amortized; and

5 (5) [~~Of the excess revenues deposited into the general~~  
6 ~~fund pursuant to this subsection,~~] \$3,000,000 shall be  
7 allocated [~~subject to the~~] to the special land and  
8 development fund established under section 171-19, to  
9 be expended according to a 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~~  
13 ~~strategic plan~~] long-range strategic plan for tourism  
14 developed by the Hawaii tourism authority for:

- 15 (A) The protection, preservation, and enhancement of  
16 natural resources important to the visitor  
17 industry;
- 18 (B) Planning, construction, and repair of facilities;  
19 and
- 20 (C) Operation and maintenance costs of public lands  
21 connected with enhancing the visitor experience.



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

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

8 SECTION 2. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 3. This Act shall take effect on July 1, 2020.



**Report Title:**

Transient Accommodations Tax; Allocation of Funds

**Description:**

Repeals provision relating to Tourism Special Fund expenditures that is set to expire on June 30, 2015. Clarifies Board of Land and Natural Resources and Hawaii Tourism Authority expenditure authority over Transient Accommodations Tax revenue allocated to the Special Land and Development Fund. (HB1448 HD1)

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

