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# A BILL FOR AN ACT

RELATING TO DISPOSITION OF TAX REVENUES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to temporarily  
2 adjust the disposition of certain tax revenues by setting  
3 maximum amounts to be distributed to various non-general funds  
4 from the conveyance tax. Tax revenues remaining after  
5 distribution will stay in the general fund.

6           By establishing maximum amounts for distribution among the  
7 non-general funds, the legislature intends that this Act:

- 8           (1) Make forecasts of general fund revenues more reliable;  
9           (2) Increase legislative oversight of the agencies and  
10           programs supported by the non-general funds; and  
11           (3) Subject those agencies and programs to competition for  
12           limited public funds if the agencies or programs want  
13           more than the amount automatically distributed to  
14           their non-general funds.

15           The legislature finds that this Act promotes budgetary  
16 planning and transparency.

17           The legislature further finds that the distribution method  
18 used for the transient accommodations tax revenues, which are



1 distributed among the convention center, Hawaii tourism  
2 authority, and counties by dollar amounts, serves as the model  
3 for this Act.

4 SECTION 2. Section 247-7, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 **"§247-7 Disposition of taxes.** All taxes collected under  
7 this chapter shall be paid into the state treasury to the credit  
8 of the general fund of the State, to be used and expended for  
9 the purposes for which the general fund was created and exists  
10 by law; provided that of the taxes collected each fiscal year:

11 (1) Ten per cent or \$7,600,000, whichever is less, shall  
12 be paid into the land conservation fund established  
13 pursuant to section 173A-5; provided that any  
14 difference between the ten per cent and \$7,600,000  
15 shall be transferred to the native resources and fire  
16 protection program to be expended by the department of  
17 land and natural resources for wildfire prevention,  
18 control, and emergency response;

19 (2) [~~Twenty five per cent from July 1, 2009, until~~  
20 ~~June 30, 2012; thirty per cent from July 1, 2012,~~  
21 ~~until June 30, 2014; and fifty] Fifty per cent [in~~



1           ~~each fiscal year thereafter]~~ or \$ \_\_\_\_\_, whichever  
2           is less, shall be paid into the rental housing trust  
3           fund established by section 201H-202; and  
4           (3) ~~[Twenty per cent from July 1, 2009, until June 30,~~  
5           ~~2012, and twenty five]~~ Twenty-five per cent ~~[in each~~  
6           ~~fiscal year thereafter]~~ or \$19,000,000, whichever is  
7           less, shall be paid into the natural area reserve fund  
8           established by section 195-9; provided that the funds  
9           paid into the natural area reserve fund shall be  
10          annually disbursed by the department of land and  
11          natural resources in the following priority:  
12          (A) To natural area partnership and forest  
13                stewardship programs after joint consultation  
14                with the forest stewardship committee and the  
15                natural area reserves system commission;  
16          (B) Projects undertaken in accordance with watershed  
17                management plans pursuant to section 171-58 or  
18                watershed management plans negotiated with  
19                private landowners, and management of the natural  
20                area reserves system pursuant to section 195-3;  
21          and



1 (C) The youth conservation corps established under  
2 chapter 193[-];  
3 provided further that any difference between the  
4 twenty-five per cent and \$19,000,000 shall be  
5 transferred to the native resources and fire  
6 protection program to be expended by the department of  
7 land and natural resources for wildfire prevention,  
8 control, and emergency response."

9 SECTION 3. Statutory material to be repealed is bracketed  
10 and stricken. New statutory material is underscored.

11 SECTION 4. This Act shall take effect on July 1, 2015, and  
12 shall be repealed on June 30, 2017; provided that section 247-7,  
13 Hawaii Revised Statutes, shall be reenacted in the form in which  
14 it read on the day prior to the effective date of this Act.



**Report Title:**

Conveyance Tax; Special Fund Revenue Distribution Maximums

**Description:**

Caps the distribution of conveyance tax revenue as follows: Caps at \$7,600,000 or ten percent, whichever is less, the distribution into the land conservation fund, with any difference to be expended on wildfire prevention, control, and emergency response; caps at fifty percent or an unspecified dollar amount, whichever is less, the distribution into the rental housing trust fund; and caps at \$19,000,000 or twenty-five percent, whichever is less, the distribution into the natural area reserve fund, with any difference to be expended on wildfire prevention, control, and emergency response. Repeals on 6/30/2017. (SD1)

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