

Honolulu, Hawaii

February 11, 2016

RE: H.B. No. 1554  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2016  
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 1554 entitled:

"A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX,"

begs leave to report as follows:

The purpose of this measure is to effectuate the State-County Functions Working Group's recommendations by distributing the transient accommodations tax as follows:

- (1) \$82,000,000 for the Tourism Special Fund, with the amount to increase with the consumer price index;
- (2) \$26,500,000 for the Convention Center Enterprise Special Fund;
- (3) \$3,000,000 for the Special Land and Development Fund;
- (4) \$1,500,000 for the Turtle Bay Conservation Easement Special Fund; and
- (5) Of the remaining revenues, 55 percent shall be allocated to the State general fund, and 45 percent shall be allocated to the counties (with no dollar cap) as follows:
  - (A) Kauai County, 14.5 percent (of the 45 percent);



- (B) Hawaii County, 18.6 percent;
- (C) City and County of Honolulu, 44.1 percent; and
- (D) Maui County, 22.8 percent.

The State-County Functions Working Group; Hawaii Council of Mayors; Mayor of the County of Kauai; a councilmember of the Hawaii County Council; the Hawaii Lodging and Tourism Association; Hawaii Lodging and Tourism Association, Hawaii Island Chapter; Hawaii Lodging and Tourism Association, Kauai Chapter; Maui Hotel and Lodging Association; Pono Kai Resort Owners Association; and several concerned individuals supported this measure. The Department of Budget and Finance opposed this measure. The Tax Foundation of Hawaii, Council Chair of the Maui County Council, a councilmember of the Kauai County Council, and a councilmember of the Maui County Council offered comments.

Your Committee has amended this measure by changing its effective date to July 1, 2120, to promote further discussion.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1554, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1554, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on  
behalf of the members of the  
Committee on Tourism,



TOM BROWER, Chair



