

JAN 25 2017

A BILL FOR AN ACT

RELATING TO THE UNIVERSITY OF HAWAII.

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

1 SECTION 1. The legislature finds that intercollegiate
2 athletics programs of the University of Hawaii are unique when
3 compared to athletic programs at other institutions. The
4 legislature further finds that the community places a high value
5 on, and takes much pride in, the intercollegiate athletics
6 programs of the University of Hawaii. All teams and individuals
7 competing for the university have dedicated fans who enjoy the
8 efforts of the athletes and entertainment of sports contests.

9 The legislature also finds that in contemporary society,
10 intercollegiate athletics receive much publicity and media
11 coverage, and the participation of the University of Hawaii in
12 various sports increases the exposure of people on the mainland
13 and in foreign countries to the State of Hawaii. University of
14 Hawaii athletes are also "Ambassadors of Aloha" when they travel
15 out-of-state, and athletes have an opportunity to uniquely and
16 authentically represent Hawaii. Games and events that are
17 televised nationally and internationally also are important



1 marketing tools to attract visitors to the State and showcase a
2 premier higher education institution. Family, friends, and
3 supporters of visiting schools often accompany the teams and
4 stay for an extended time.

5 The legislature finds that the costs for University of
6 Hawaii at Manoa student athletes to travel to the mainland are
7 high because of the distance traveled. Moreover, the university
8 must subsidize the travel expenses of some visiting teams that
9 come to Hawaii. Lastly, the scholarship costs are higher at the
10 University of Hawaii at Manoa when compared to peer universities
11 because its athletic program has a higher percentage of non-
12 resident student-athletes. In total, University of Hawaii at
13 Manoa athletic costs are \$5,200,000 higher than its peer
14 institutions. As a result, rather than competing in collegiate
15 athletics on a level playing field, University of Hawaii at
16 Manoa athletics is at a competitive disadvantage because a
17 significant portion of its budget must be used to offset costs
18 that other athletic programs do not have.

19 The legislature also finds that athletics at the University
20 of Hawaii at Hilo is a source of great pride to the community of
21 Hilo and the Big Island. There is a vibrant history of



1 connection between the community and the university's "Vulcan"
2 athletics. Vulcan athletics not only provides a source of
3 community activity, but is a key component contributing to the
4 overall student life experience for the diverse campus body.
5 University of Hawaii at Hilo athletics is a significant economic
6 driver to the island of Hawaii's economy, bringing in thousands
7 of people from visiting teams and families each year. Such
8 activity positively benefits the local businesses of hotels,
9 restaurants, airlines, car rental agencies, and other small
10 businesses. The University of Hawaii at Hilo athletics is of
11 great community and economic benefit to the Big Island, neighbor
12 island communities, and the State.

13 The purpose of this Act is to address the intercollegiate
14 athletics program of the University of Hawaii. Specifically,
15 this Act requires moneys from the transient accommodations tax
16 be distributed to the University of Hawaii at Manoa and
17 University of Hawaii at Hilo for the next three fiscal years to
18 offset the higher and unique costs of its athletic programs.

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



1 "(b) Revenues collected under this chapter shall be
2 distributed in the following priority, with the excess revenues
3 to be deposited into the general fund:

4 (1) \$1,500,000 shall be allocated to the Turtle Bay
5 conservation easement special fund beginning July 1,
6 2015, for the reimbursement to the state general fund
7 of debt service on reimbursable general obligation
8 bonds, including ongoing expenses related to the
9 issuance of the bonds, the proceeds of which were used
10 to acquire the conservation easement and other real
11 property interests in Turtle Bay, Oahu, for the
12 protection, preservation, and enhancement of natural
13 resources important to the State, until the bonds are
14 fully amortized;

15 (2) \$26,500,000 shall be allocated to the convention
16 center enterprise special fund established under
17 section 201B-8;

18 (3) \$82,000,000 shall be allocated to the tourism special
19 fund established under section 201B-11; provided that:
20 (A) Beginning on July 1, 2012, and ending on June 30,
21 2015, \$2,000,000 shall be expended from the



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1 tourism special fund for development and
2 implementation of initiatives to take advantage
3 of expanded visa programs and increased travel
4 opportunities for international visitors to
5 Hawaii;

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

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

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

16 (C) Of the revenues remaining in the tourism special
17 fund after revenues have been deposited as
18 provided in this paragraph and except for any sum
19 authorized by the legislature for expenditure
20 from revenues subject to this paragraph,
21 beginning July 1, 2007, funds shall be deposited



1 into the tourism emergency special fund,
2 established in section 201B-10, in a manner
3 sufficient to maintain a fund balance of
4 \$5,000,000 in the tourism emergency special fund;
5 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
6 for fiscal year 2015-2016, \$103,000,000 for fiscal
7 year 2016-2017, and \$93,000,000 for each fiscal year
8 thereafter shall be allocated as follows: Kauai
9 county shall receive 14.5 per cent, Hawaii county
10 shall receive 18.6 per cent, city and county of
11 Honolulu shall receive 44.1 per cent, and Maui county
12 shall receive 22.8 per cent; provided that commencing
13 with fiscal year 2018-2019, a sum that represents the
14 difference between a county public employer's annual
15 required contribution for the separate trust fund
16 established under section 87A-42 and the amount of the
17 county public employer's contributions into that trust
18 fund shall be retained by the state director of
19 finance and deposited to the credit of the county
20 public employer's annual required contribution into
21 that trust fund in each fiscal year, as provided in



1 section 87A-42, if the respective county fails to
2 remit the total amount of the county's required annual
3 contributions, as required under section 87A-43; [~~and~~]
4 (5) \$3,000,000 shall be allocated to the special land and
5 development fund established under section 171-19;
6 provided that the allocation shall be expended in
7 accordance with the Hawaii tourism authority strategic
8 plan for:

- 9 (A) The protection, preservation, maintenance, and
10 enhancement of natural resources, including
11 beaches, important to the visitor industry;
- 12 (B) Planning, construction, and repair of facilities;
13 and
- 14 (C) Operation and maintenance costs of public lands,
15 including beaches, connected with enhancing the
16 visitor experience[-]; and

17 (6) Beginning on July 1, 2017, and each fiscal year
18 thereafter until June 30, 2020:

- 19 (A) \$ _____ shall be allocated to the University
20 of Hawaii at Manoa intercollegiate athletics



1 special fund established pursuant to section
 2 304A-2176; and
 3 (B) \$ _____ shall be allocated to the University
 4 of Hawaii at Hilo intercollegiate athletics
 5 special fund established pursuant to section
 6 304A-2176.

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

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

14 SECTION 3. Statutory material to be repealed is bracketed
 15 and stricken. New statutory material is underscored.

16 SECTION 4. This Act shall take effect upon its approval
 17 and shall be repealed on June 30, 2020.

INTRODUCED BY:

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S.B. NO. 1252

Report Title:

University of Hawaii; Transient Accommodations Tax;
Intercollegiate Athletics Program

Description:

Allocates portion of the transient accommodations tax to help fund the intercollegiate athletic programs at the University of Hawaii at Manoa and University of Hawaii at Hilo to offset the higher costs that the University of Hawaii must pay for athletics compared to peer institutions. Repeals 6/30/2020.

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

