

JAN 25 2017

A BILL FOR AN ACT

RELATING TO NATIVE HAWAIIAN HEALTH CARE.

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

1 SECTION 1. The legislature finds that Native Hawaiians are
2 more likely to develop chronic disease and die an average of ten
3 years earlier than people of other ethnic groups in Hawai'i.
4 Native Hawaiians have among the highest rates of obesity,
5 hypertension, diabetes, cardiovascular and cerebrovascular
6 diseases, and certain cancers. Nationally, Native Hawaiians
7 have among the highest mortality rates. Studies find that many
8 Native Hawaiians feel alienated from the health care system and
9 have a mistrust toward and reluctance in seeking care,
10 preferring more culturally-acceptable means to managing their
11 health.

12 The legislature further finds that the Hawaiian culture is
13 used as a major driver for tourism in the islands. Many hotels
14 incorporate the Aloha spirit, local entertainers, and native
15 imagery in the form of paintings and photography to welcome
16 worldwide visitors. By generously sharing the Hawaiian culture
17 with many tourists, it is the right thing to do for the tourism



1 industry to give back a portion of the revenue generated to the
2 Hawaiian people. Moreover, millions of tourists visit the
3 Hawaiian Islands annually. In 2015, a record of 8,600,000
4 visitors came to Hawai'i. Lodging is the largest expenditure
5 category for visitors, spending \$6,300,000,000 in 2015.
6 The legislature further finds that the transient accommodations
7 tax is a 9.25 per cent tax levied on gross rental income derived
8 from renting living accommodations to a transient for one
9 hundred eighty consecutive days or fewer. In fiscal year 2015,
10 the transient accommodations tax generated \$421,000,000.
11 Portions of the transient accommodations tax are allocated to
12 the counties and various special funds relating to tourism and
13 conservation. The remainder is deposited into the general fund.
14 To address Native Hawaiian health issues, S.R. No. 60, S.D.
15 1, regular session of 2014, created a Native Hawaiian Health
16 task force, to specifically improve the health of Native
17 Hawaiians with implications for other Pacific Islanders and all
18 people of Hawai'i. The goal of the task force was to articulate
19 priority areas to advance health equity for Native Hawaiians,
20 and in turn, the health of Hawai'i's entire population. The
21 framework and recommendations discussed by the task force were



1 embraced by community members, agencies, government, and
2 individuals in addition to those who view themselves as native-
3 serving institutions. This work was community- and land-focused
4 and emphasizes Native Hawaiian values and aspirations. The task
5 force also recognized the past efforts toward improving the
6 health status of Native Hawaiians. The task force used nā pou
7 kihi as the cultural framework to organize and situate the
8 findings and recommendations of this task force. Consistent
9 with the hale (home) as a metaphor for establishing a healthy
10 and vibrant Native Hawaiian population, nā pou kihi reflects the
11 four corner posts of a hale necessary to support the weight of
12 the hale and everyone who resides under its roof.

13 One of the four posts of nā pou kihi, referred to by the
14 task force as ka hana pono, focused on the lifestyle choices and
15 aspirations of Native Hawaiians in striving for optimal health
16 and well-being in ways that are consistent with their shared
17 cultural values and practices. It includes the types of
18 physical activities and foods enjoyed, the health care services
19 accessed and received, and the health promotion opportunities
20 available to them, which are inclusive of their cultural values
21 and practices.



1 Research findings have identified the beneficial effects of
2 healthy communities on the social, physical, and emotional
3 health of individuals. For example, communities with access to
4 healthier food options and less fast food establishments; easy
5 and affordable access to recreational facilities such as
6 walking, biking, and hiking trails; safe and low density
7 neighborhoods; opportunities for social networking; and active
8 community members and strong local leadership, are more likely
9 to have residents who are not plagued by violence and crime or
10 by chronic diseases, such as obesity, diabetes, and stress-
11 related emotional problems. Ensuring healthy communities,
12 neighborhoods, and families of Native Hawaiians decreases the
13 risk for chronic mental and physical diseases.

14 This Act reflects the position of the senate on Native
15 Hawaiian health care. The senate supports:

- 16 (1) Collaborative efforts to ensure that funding for
17 Native Hawaiian health care continues;
- 18 (2) Native Hawaiians and Pacific Islanders by focusing on
19 essential social and cultural determinants that
20 improve health outcomes amongst our indigenous
21 population;



- 1 (3) Options to improve health care for keiki and
2 residents in rural areas; and
3 (4) Collaborative efforts to provide better dental care
4 for keiki and adults throughout the State's
5 communities.

6 The purpose of this Act is to redirect a portion of the
7 transient accommodations tax revenues to provide ongoing state
8 funding to enable the creation of an office of Native Hawaiian
9 health within the department of health.

10 SECTION 2. Chapter 321, Hawaii Revised Statutes, is
11 amended by adding a new part to be appropriately designated and
12 to read as follows:

13 **"PART . OFFICE OF NATIVE HAWAIIAN HEALTH**

14 §321-A Office of Native Hawaiian health. (a) There is
15 established an office of Native Hawaiian health to be
16 administered by the department of health.

17 (b) The office of Native Hawaiian health shall be funded
18 from appropriations made from the Native Hawaiian health fund
19 pursuant to section 321-B.

20 (c) The mission of the office of Native Hawaiian health
21 shall be to:



- 1 (1) Serve as the department of health's focal point for
2 Native Hawaiian health equity by ensuring the
3 development of plans, strategies, actions, and
4 programs to address the health disparities of Native
5 Hawaiians including but not limited to obesity,
6 diabetes, substance use and abuse, cardiovascular
7 disease, and kidney disease;
- 8 (2) Create an epidemiology center within the office to
9 create relevant metrics, collect data, and track and
10 report upon significant health disparities and trends
11 affecting Native Hawaiians;
- 12 (3) Seek replacement funding for Native Hawaiian health
13 services presently being delivered by federally
14 qualified health centers, Papa Ola Lōkahi, the Native
15 Hawaiian Health Care Systems, and other qualified
16 agencies presently funded under the federal Native
17 Hawaiian Health Care Act;
- 18 (4) Seek replacement funding for health disparities
19 research presently being conducted by the University
20 of Hawaii at John A. Burns School of Medicine



1 presently funded by the federal National Institutes of
2 Health; and

3 (5) Recommend to state and county planners improvements to
4 infrastructure, including medians and sidewalks to
5 increase safety and health in Native Hawaiian
6 communities.

7 **§321-B Native Hawaiian health fund.** (a) There is
8 established the Native Hawaiian health fund, to be administered
9 by the department of health.

10 (b) The Native Hawaiian health fund shall be funded from
11 deposits from:

12 (1) A portion of the transient accommodations tax under
13 section 237D-6.5(b)(5); and

14 (2) Appropriations.

15 (c) Expenditures from the Native Hawaiian health fund
16 shall be made to fund expenses relating to mission of the office
17 of Native Hawaiian health, as specified in section 321-A(c)."

18 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
19 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



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 shall be 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) Two per cent for fiscal year 2017-2018, four per cent
18 for fiscal year 2018-2019, six per cent for fiscal
19 year 2019-2020, eight per cent for fiscal year 2020-
20 2021, and ten per cent for fiscal year 2021-2022 and
21 each fiscal year thereafter shall be deposited into



1 the Native Hawaiian health fund established pursuant
2 to section 321-B.

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

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

10 SECTION 4. In codifying the new sections added by section
11 2 of this Act, the revisor of statutes shall substitute
12 appropriate section numbers for the letters used in designating
13 the new sections in this Act.

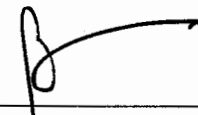
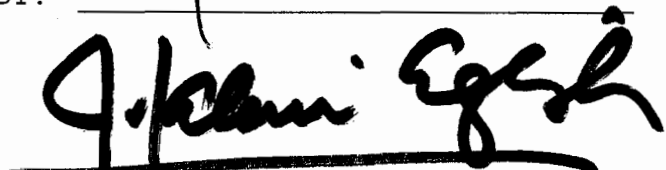
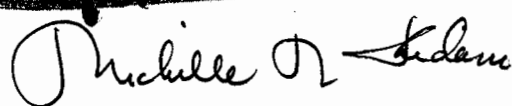
14 SECTION 5. Statutory material to be repealed is bracketed
15 and stricken. New statutory material is underscored.

16 SECTION 6. This Act shall take effect on July 1, 2017.

17

INTRODUCED BY:





S.B. NO. 1314

Report Title:

Native Hawaiian Health; Department of Health; Transient Accommodations Tax

Description:

Creates of an office of Native Hawaiian health within the department of health. Establishes the Native Hawaiian health fund. Allocates a percentage of the transient accommodations tax to be deposited into the Native Hawaiian health fund.

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