
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. The purpose of this Act is to increase the
2 allocation of the transient accommodations tax revenues to the
3 counties. On July 1, 2017, the allocation to the counties was
4 to revert to \$93,000,000 annually. This Act increases the
5 allocation in recognition of the budgetary needs of the counties
6 and services they provide to residents and visitors.

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

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

12 (1) \$1,500,000 shall be allocated to the Turtle Bay
13 conservation easement special fund beginning July 1,
14 2015, for the reimbursement to the state general fund
15 of debt service on reimbursable general obligation
16 bonds, including ongoing expenses related to the
17 issuance of the bonds, the proceeds of which were used



1 to acquire the conservation easement and other real
2 property interests in Turtle Bay, Oahu, for the
3 protection, preservation, and enhancement of natural
4 resources important to the State, until the bonds are
5 fully amortized;

6 (2) \$26,500,000 shall be allocated to the convention
7 center enterprise special fund established under
8 section 201B-8;

9 (3) \$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;

18 ~~(B)~~ (A) Of the [~~\$82,000,000~~] revenues allocated~~[+]~~
19 to the tourism special fund:

20 (i) \$1,000,000 shall be allocated for the
21 operation of a Hawaiian center and the



1 museum of Hawaiian music and dance at the
2 Hawaii convention center; and
3 (ii) 0.5 per cent [~~of the \$82,000,000~~] shall be
4 transferred to a sub-account in the tourism
5 special fund to provide funding for a safety
6 and security budget, in accordance with the
7 Hawaii tourism strategic plan [~~2005-2015~~];
8 and
9 ~~[-(C)]~~ (B) Of the revenues remaining in the tourism
10 special fund after revenues have been deposited
11 as provided in this paragraph and except for any
12 sum authorized by the legislature for expenditure
13 from revenues subject to this paragraph,
14 beginning July 1, 2007, funds shall be deposited
15 into the tourism emergency special fund,
16 established in section 201B-10, in a manner
17 sufficient to maintain a fund balance of
18 \$5,000,000 in the tourism emergency special fund;
19 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
20 for fiscal year 2015-2016, \$103,000,000 for fiscal
21 year 2016-2017, and [~~\$93,000,000~~] \$108,000,000 for



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

19 (5) \$3,000,000 shall be allocated to the special land and
20 development fund established under section 171-19;
21 provided that the allocation shall be expended in



1 accordance with the Hawaii tourism authority strategic
2 plan for:

- 3 (A) The protection, preservation, maintenance, and
4 enhancement of natural resources, including
5 beaches, important to the visitor industry;
- 6 (B) Planning, construction, and repair of facilities;
7 and
- 8 (C) Operation and maintenance costs of public lands,
9 including beaches, connected with enhancing the
10 visitor experience.

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

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

18 SECTION 3. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 4. This Act shall take effect on July 1, 2050.



Report Title:

Transient Accommodations Tax; Allocation; Tourism Special Fund;
Counties

Description:

Repeals the requirement that a certain amount of the allocation of transient accommodations tax revenues to the tourism special fund be used for the development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii. Increases the allocation to the counties from \$93,000,000 to \$108,000,000 for fiscal years beginning after 6/30/2017. Effective 7/1/2050. (SD2)

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