
A BILL FOR AN ACT

RELATING TO TOURISM.

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

PART I

SECTION 1. Section 201B-8, Hawaii Revised Statutes, is amended by amending its title and subsections (a) and (b) to read as follows:

"§201B-8 Convention center [~~enterprise special fund.~~]
operations and maintenance special fund. (a) There is established the convention center [~~enterprise special fund,~~]
operations and maintenance special fund, into which shall be deposited:

~~[(1) A portion of the revenues from the transient accommodations tax, as provided by section 237D-6.5,~~

~~(2)]~~ (1) All revenues or moneys derived from the operations of the convention center to include all revenues from the food and beverage service, all revenues from the parking facilities or from any concession, and all revenues from the sale of



1 souvenirs, logo items, or any other items offered for
2 purchase at the convention center;

3 ~~[(3)]~~ (2) Private contributions, interest, compensation,
4 gross or net revenues, proceeds, or other moneys
5 derived from any source or for any purpose arising
6 from the use of the convention center facility; and
7 ~~[(4)]~~ (3) Appropriations by the legislature, including any
8 transfers from the tourism special fund established
9 under section 201B-11 for marketing the facility
10 pursuant to section 201B-7(a)(7).

11 (b) Moneys in the convention center ~~[enterprise]~~
12 operations and maintenance special fund shall be used by the
13 authority for the payment of any and all of the following:

14 ~~[(1)] Debt owed to the department of budget and finance~~
15 ~~relating to the convention center; and~~

16 ~~-(2)]~~ (1) Expenses arising from any and all use, operation,
17 maintenance, alteration, improvement, or any
18 unforeseen or unplanned repairs of the convention
19 center, including without limitation the food and
20 beverage service and parking service provided at the
21 convention center facility, the sale of souvenirs,



1 logo items, or other items, for any future major
2 repair, maintenance, and improvement of the convention
3 center facility as a commercial enterprise or as a
4 world class facility for conventions, entertainment,
5 or public events, and for marketing the facility
6 pursuant to section 201B-7(a)(7) [7]; and

7 (2) Salaries for convention center personnel."

8 SECTION 2. Section 201B-11, Hawaii Revised Statutes, is
9 amended by amending subsection (c) to read as follows:

10 "(c) Moneys in the tourism special fund shall be used by
11 the authority for the purposes of this chapter[7]; provided
12 that:

13 (1) ~~[Not] No~~ more than ~~[3.5 per cent of this amount]~~
14 \$2,800,000 shall be used for administrative expenses[7
15 including \$15,000 for a protocol fund to be expended
16 at the discretion of the president and chief executive
17 officer]; and

18 (2) ~~[At least \$1,000,000 shall be made available to~~
19 ~~support efforts to manage, improve, and protect~~
20 ~~Hawaii's natural environment and areas frequented by~~



visitors.] No more than \$49,200,000 shall be used for
marketing expenses.

For the purposes of this subsection, "administrative
expenses" means office equipment, salaries, and supplies."

SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is
amended by amending subsection (b) to read as follows:

"(b) Except for the revenues collected pursuant to section
237D-2(e), revenues collected under this chapter shall be
distributed in the following priority, with the excess revenues
to be deposited into the general fund:

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



1 ~~[(2) \$26,500,000 shall be allocated to the convention~~
2 ~~center enterprise special fund established under~~
3 ~~section 201B-8;~~

4 ~~(3)]~~ (2) [\$82,000,000] \$52,000,000 shall be allocated to
5 the tourism special fund established under section
6 201B-11; provided that[+

7 ~~(A) Beginning]~~ beginning on July 1, 2012, and ending
8 on June 30, 2015, \$2,000,000 shall be expended
9 from the tourism special fund for development and
10 implementation of initiatives to take advantage
11 of expanded visa programs and increased travel
12 opportunities for international visitors to
13 Hawaii;

14 ~~[(B) Of the \$82,000,000 allocated:~~

15 ~~(i) \$1,000,000 shall be allocated for the~~
16 ~~operation of a Hawaiian center and the~~
17 ~~museum of Hawaiian music and dance at the~~
18 ~~Hawaii convention center; and~~

19 ~~(ii) 0.5 per cent of the \$82,000,000 shall be~~
20 ~~transferred to a sub account in the tourism~~
21 ~~special fund to provide funding for a safety~~



1 ~~and security budget, in accordance with the~~
2 ~~Hawaii tourism strategic plan 2005-2015; and~~
3 ~~(C) Of the revenues remaining in the tourism special~~
4 ~~fund after revenues have been deposited as~~
5 ~~provided in this paragraph and except for any sum~~
6 ~~authorized by the legislature for expenditure~~
7 ~~from revenues subject to this paragraph,~~
8 ~~beginning July 1, 2007, funds shall be deposited~~
9 ~~into the tourism emergency special fund,~~
10 ~~established in section 201B-10, in a manner~~
11 ~~sufficient to maintain a fund balance of~~
12 ~~\$5,000,000 in the tourism emergency special fund,~~
13 ~~(4)]~~ (3) \$103,000,000 shall be allocated as follows:
14 Kauai county shall receive 14.5 per cent, Hawaii
15 county shall receive 18.6 per cent, city and county of
16 Honolulu shall receive 44.1 per cent, and Maui county
17 shall receive 22.8 per cent; provided that commencing
18 with fiscal year 2018-2019, a sum that represents the
19 difference between a county public employer's annual
20 required contribution for the separate trust fund
21 established under section 87A-42 and the amount of the



1 county public employer's contributions into that trust
2 fund shall be retained by the state director of
3 finance and deposited to the credit of the county
4 public employer's annual required contribution into
5 that trust fund in each fiscal year, as provided in
6 section 87A-42, if the respective county fails to
7 remit the total amount of the county's required annual
8 contributions, as required under section 87A-43; [and
9 ~~(5)]~~ (4) \$3,000,000 shall be allocated to the special land
10 and development fund established under section 171-19;
11 provided that the allocation shall be expended [in
12 ~~accordance with the Hawaii tourism authority strategic~~
13 ~~plan]~~ for:
14 (A) The protection, preservation, maintenance, and
15 enhancement of natural resources, including
16 beaches, important to the visitor industry;
17 (B) Planning, construction, and repair of facilities;
18 and
19 (C) Operation and maintenance costs of public lands,
20 including beaches, connected with enhancing the
21 visitor experience ~~[+]~~]



1 (5) \$ _____ shall be allocated to the department of
2 business, economic development, and tourism; provided
3 that the funds allocated shall be expended for other
4 economic development initiatives and programs;

5 (6) \$ _____ shall be allocated to the department of
6 education and University of Hawaii; provided that the
7 funds allocated shall be expended for career technical
8 education programs for the tourism industry;

9 (7) \$ _____ shall be allocated to University of Hawaii
10 athletics; provided that the funds allocated shall be
11 expended for student athlete travel;

12 (8) \$ _____ shall be allocated to the department of
13 land and natural resources; provided that the funds
14 allocated shall be expended to address the impact of
15 tourism on the natural resources of the State;

16 (9) \$ _____ shall be allocated to the department of
17 public safety; provided that the funds allocated shall
18 be expended for _____; and

19 (10) \$ _____ shall be allocated to the state foundation
20 on culture and the arts; provided that the funds



allocated shall be expended for the perpetuation of
the Hawaiian culture.

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

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

PART II

SECTION 4. Section 87A-42, Hawaii Revised Statutes, is amended by amending subsection (d) to read as follows:

"(d) In any fiscal year subsequent to the 2017-2018 fiscal year in which a county public employer's contributions into the fund are less than the amount of the annual required contribution, the amount that represents the excess of the annual required contribution over the county public employer's contributions shall be deposited into the fund from a portion of all transient accommodations tax revenues collected by the department of taxation under section ~~[237D-6.5(b)(4).]~~

237D-6.5(b)(3). The director of finance shall deduct the amount



1 necessary to meet the county public employer's annual required
2 contribution from the revenues derived under section
3 ~~[237D-6.5(b)(4)]~~ 237D-6.5(b)(3) and transfer the amount to the
4 board for deposit into the appropriate account of the separate
5 trust fund."

6 SECTION 5. Section 171-19, Hawaii Revised Statutes, is
7 amended by amending subsection (a) to read as follows:

8 "(a) There is created in the department a special fund to
9 be designated as the "special land and development fund".

10 Subject to the Hawaiian Homes Commission Act of 1920, as
11 amended, and section 5(f) of the Admission Act of 1959, all
12 proceeds of sale of public lands, including interest on deferred
13 payments; all moneys collected under section 171-58 for mineral
14 and water rights; all rents from leases, licenses, and permits
15 derived from public lands; all moneys collected from lessees of
16 public lands within industrial parks; all fees, fines, and other
17 administrative charges collected under this chapter and chapter
18 183C; a portion of the highway fuel tax collected under chapter
19 243; all moneys collected by the department for the commercial
20 use of public trails and trail accesses under the jurisdiction
21 of the department; transient accommodations tax revenues



1 collected pursuant to section [~~237D-6.5(b)(5)~~] 237D-6.5(b)(4) ;
2 and private contributions for the management, maintenance, and
3 development of trails and accesses shall be set apart in the
4 fund and shall be used only as authorized by the legislature for
5 the following purposes:

6 (1) To reimburse the general fund of the State for
7 advances made that are required to be reimbursed from
8 the proceeds derived from sales, leases, licenses, or
9 permits of public lands;

10 (2) For the planning, development, management, operations,
11 or maintenance of all lands and improvements under the
12 control and management of the board pursuant to title
13 12, including but not limited to permanent or
14 temporary staff positions who may be appointed without
15 regard to chapter 76; provided that transient
16 accommodations tax revenues allocated to the fund
17 shall be expended as provided in section
18 [~~237D-6.5(b)(5)~~] 237D-6.5(b)(4) ;

19 (3) To repurchase any land, including improvements, in the
20 exercise by the board of any right of repurchase



specifically reserved in any patent, deed, lease, or
other documents or as provided by law;

(4) For the payment of all appraisal fees; provided that
all fees reimbursed to the board shall be deposited in
the fund;

(5) For the payment of publication notices as required
under this chapter; provided that all or a portion of
the expenditures may be charged to the purchaser or
lessee of public lands or any interest therein under
rules adopted by the board;

(6) For the management, maintenance, and development of
trails and trail accesses under the jurisdiction of
the department;

(7) For the payment to private land developers who have
contracted with the board for development of public
lands under section 171-60;

(8) For the payment of debt service on revenue bonds
issued by the department, and the establishment of
debt service and other reserves deemed necessary by
the board;



(9) To reimburse the general fund for debt service on general obligation bonds issued to finance departmental projects, where the bonds are designated to be reimbursed from the special land and development fund;

(10) For the protection, planning, management, and regulation of water resources under chapter 174C; and

(11) For other purposes of this chapter."

SECTION 6. Section 201B-2, Hawaii Revised Statutes, is amended by amending subsection (f) to read as follows:

"(f) The board shall appoint one person to serve as president and chief executive officer, exempt from chapters 76 and 88 who shall oversee the authority staff; provided that the compensation package, including salary, shall not exceed fifteen per cent of the [~~3.5 per cent~~] \$2,800,000 authorized for administrative expenses under section 201B-11(c); and provided further that the compensation package shall not include private sector moneys or other contributions. The board shall set the president and chief executive officer's duties, responsibilities, holidays, vacations, leaves, hours of work,



1 and working conditions. It may grant other benefits as it deems
2 necessary."

3 SECTION 7. Section 201B-10, Hawaii Revised Statutes, is
4 amended by amending subsection (a) to read as follows:

5 "(a) There is established outside the state treasury a
6 tourism emergency special fund to be administered by the board,
7 into which shall be deposited the revenues prescribed by
8 ~~[section 237D-6.5(b).]~~ _____. All investment earnings from
9 moneys in the special fund shall be credited to the tourism
10 special fund established pursuant to section 201B-11."

11 SECTION 8. Sections 36-27(a) and 36-30(a), Hawaii Revised
12 Statutes, are amended by substituting the phrase "convention
13 center operations and maintenance special fund", or a similar
14 phrase, wherever the phrase "convention center enterprise
15 special fund", or a similar phrase, appears, as the context
16 requires.

17 **PART III**

18 SECTION 9. Statutory material to be repealed is bracketed
19 and stricken. New statutory material is underscored.

20 SECTION 10. This Act shall take effect on July 1, 2018.

21



Report Title:

Hawaii Tourism Authority; Convention Center Operations and Maintenance Special Fund; Transient Accommodations Tax

Description:

Renames the convention center enterprise special fund as the convention center operations and maintenance special fund and repeals the allocation of TAT revenues to that fund, and amends the allowable uses of that fund. Defines administrative expenses as used in section 201B-11(c), HRS, as office equipment, salaries, and supplies. Redistributes transient accommodations tax revenue from the Hawaii tourism authority to different state agencies for certain purposes. (SD1)

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

