

---

---

# A BILL FOR AN ACT

RELATING TO VISITOR IMPACTS.

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

1           SECTION 1. The legislature finds that an ever increasing  
2 number of visitors can negatively impact the quality of life of  
3 Hawaii residents by straining the State's infrastructure and  
4 natural resources. Between 2009 and 2014, the total number of  
5 annual visitors increased every year, from 6,517,054 in 2009 to  
6 8,308,114 in 2014. With the steady rise in visitors to the  
7 islands, the legislature finds it important to ensure support  
8 and funds to manage and maintain state parks, trails, beaches,  
9 and other natural resources.

10           The purpose of this Act is to support the State's tourism  
11 industry by allocating funds from the transient accommodations  
12 tax to the special land and development fund for the management,  
13 maintenance, and development of trails and trail access, state  
14 parks, beaches, and other natural resources.

15           SECTION 2. Section 171-19, Hawaii Revised Statutes, is  
16 amended by amending subsection (a) to read as follows:

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



1 Subject to the Hawaiian Homes Commission Act of 1920, as  
2 amended, and section 5(f) of the Admission Act of 1959, all  
3 proceeds of sale of public lands, including interest on deferred  
4 payments; all moneys collected under section 171-58 for mineral  
5 and water rights; all rents from leases, licenses, and permits  
6 derived from public lands; all moneys collected from lessees of  
7 public lands within industrial parks; all fees, fines, and other  
8 administrative charges collected under this chapter and chapter  
9 183C; a portion of the highway fuel tax collected under chapter  
10 243; all moneys collected by the department for the commercial  
11 use of public trails and trail accesses under the jurisdiction  
12 of the department; transient accommodations tax revenues  
13 collected pursuant to section 237D-6.5(b)(5) [~~7~~] and (6); and  
14 private contributions for the management, maintenance, and  
15 development of trails and accesses shall be set apart in the  
16 fund and shall be used only as authorized by the legislature for  
17 the following purposes:

- 18 (1) To reimburse the general fund of the State for  
19 advances made that are required to be reimbursed from  
20 the proceeds derived from sales, leases, licenses, or  
21 permits of public lands;



- 1 (2) For the planning, development, management, operations,  
2 or maintenance of all lands and improvements under the  
3 control and management of the board pursuant to title  
4 12, including but not limited to permanent or  
5 temporary staff positions who may be appointed without  
6 regard to chapter 76; provided that transient  
7 accommodations tax revenues allocated to the fund  
8 shall be expended as provided in section 237D-  
9 6.5(b)(5);
- 10 (3) To repurchase any land, including improvements, in the  
11 exercise by the board of any right of repurchase  
12 specifically reserved in any patent, deed, lease, or  
13 other documents or as provided by law;
- 14 (4) For the payment of all appraisal fees; provided that  
15 all fees reimbursed to the board shall be deposited in  
16 the fund;
- 17 (5) For the payment of publication notices as required  
18 under this chapter; provided that all or a portion of  
19 the expenditures may be charged to the purchaser or  
20 lessee of public lands or any interest therein under  
21 rules adopted by the board;



1 (6) For the management, maintenance, and development of  
2 trails and trail accesses, state parks, beaches, and  
3 other natural resources under the jurisdiction of the  
4 department;

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

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

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

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

19 (11) For other purposes of this chapter."

20 SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is  
21 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 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 of the transient accommodations tax  
 18 revenues shall be allocated to the special land and  
 19 development fund established under section 171-19 and  
 20 expended for the purposes established under section  
 21 171-19(a)(6).





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

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

8 SECTION 4. Statutory material to be repealed is bracketed  
9 and stricken. New statutory material is underscored.

10 SECTION 5. This Act shall take effect on July 1, 2017.

11



**Report Title:**

Visitor Arrivals; Natural Resources; Infrastructure; Special Land and Development Fund

**Description:**

Allows use of the special land and development fund for the management, maintenance, and development of state parks, beaches, and other natural resources. Allocates two per cent of the transient accommodations tax to the special land and development fund category for the management, maintenance, and development of trails and trail access, state parks, beaches, and other natural resources. (SD1)

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

