

STAND. COM. REP. NO.

611

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 317
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2017
State of Hawaii

Sir:

Your Committee on Tourism, to which was referred H.B. No. 317
entitled:

"A BILL FOR AN ACT RELATING TO THE TRANSIENT ACCOMMODATIONS
TAX,"

begs leave to report as follows:

The purpose of this measure is to reflect a fair, balanced,
and reasonable compromise of competing needs for scarce resources
and provide a suggested solution for the further administration of
the transient accommodations tax (TAT) and its revenue.

Specifically, this measure amends section 237D-6.5(b), Hawaii
Revised Statutes, by allocating TAT revenues to:

- (1) The Tourism Special Fund with adjustments for inflation;
and
- (2) The counties to equal 45 percent of the amount of TAT
revenues remaining after all other allocations are made.

Hawaii State Association of Counties, Office of the Mayor of
the City and County of Honolulu and County of Hawaii, Chairpersons
of the Honolulu City Council, Maui County Council, and Kauai
County Council, two County of Hawaii Councilmembers representing
District 2 and 3, the Honolulu City Councilmember representing

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District 3, and a concerned individual supported this measure. The Department of Budget and Finance and Tax Foundation of Hawaii offered comments.

Your Committee has amended this measure by:

- (1) Removing proposed language that adjusted the allocation of TAT revenues to the Tourism Special Fund and the counties;
- (2) Restoring the statutory language in section 237D-6.5(b), Hawaii Revised Statutes, relating to TAT revenues, allocations of TAT revenues, and allocation priorities;
- (3) Allocating \$2,000,000 of TAT revenues to the Hawaii Tourism Authority for the implementation of initiatives to address homelessness issues in tourist and resort areas;
- (4) Changing the effective date to July 1, 2117, to promote further discussion; and
- (5) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Tourism that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 317, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 317, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Tourism,


RICHARD H.K. ONISHI, Chair



