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

3           "(b) Except for the revenues collected pursuant to section  
4 237D-2(e), revenues collected under this chapter shall be  
5 distributed in the following priority, with the excess revenues  
6 to be deposited into the general fund:

7           (1) \$1,500,000 shall be allocated to the Turtle Bay  
8 conservation easement special fund beginning July 1,  
9 2015, for the reimbursement to the state general fund  
10 of debt service on reimbursable general obligation  
11 bonds, including ongoing expenses related to the  
12 issuance of the bonds, the proceeds of which were used  
13 to acquire the conservation easement and other real  
14 property interests in Turtle Bay, Oahu, for the  
15 protection, preservation, and enhancement of natural  
16 resources important to the State, until the bonds are  
17 fully amortized;



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1           (2) \$16,500,000 shall be allocated to the convention  
2           center enterprise special fund established under  
3           section 201B-8;

4           (3) \$79,000,000 shall be allocated to the tourism special  
5           fund established under section 201B-11; provided that:

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

13           ~~-(B)]~~ (A) Of the \$79,000,000 allocated:

14           (i) \$1,000,000 shall be allocated for the  
15           operation of a Hawaiian center and the  
16           museum of Hawaiian music and dance; and

17           (ii) 0.5 per cent of the \$79,000,000 shall be  
18           transferred to a sub-account in the tourism  
19           special fund to provide funding for a safety  
20           and security budget, in accordance with the  
21           Hawaii tourism strategic plan 2005-2015; and



1           ~~(C)~~ (B) Of the revenues remaining in the tourism  
2           special fund after revenues have been deposited  
3           as provided in this paragraph and except for any  
4           sum authorized by the legislature for expenditure  
5           from revenues subject to this paragraph,  
6           beginning July 1, 2007, funds shall be deposited  
7           into the tourism emergency special fund,  
8           established in section 201B-10, in a manner  
9           sufficient to maintain a fund balance of  
10          \$5,000,000 in the tourism emergency special fund;

11          (4) Of the excess revenues collected under this chapter:

12          (A) \$103,000,000 shall be allocated as follows:

13          Kauai county shall receive 14.5 per cent, Hawaii  
14          county shall receive 18.6 per cent, city and  
15          county of Honolulu shall receive 44.1 per cent,  
16          and Maui county shall receive 22.8 per cent;  
17          provided that commencing with fiscal year 2018-  
18          2019, a sum that represents the difference  
19          between a county public employer's annual  
20          required contribution for the separate trust fund  
21          established under section 87A-42 and the amount



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1 of the county public employer's contributions  
2 into that trust fund shall be retained by the  
3 state director of finance and deposited to the  
4 credit of the county public employer's annual  
5 required contribution into that trust fund in  
6 each fiscal year, as provided in section 87A-42,  
7 if the respective county fails to remit the total  
8 amount of the county's required annual  
9 contributions, as required under section 87A-43;  
10 and

11 (B) Except for the revenues collected pursuant to  
12 section 237D-2(e), of the total revenues  
13 collected under this chapter, 3.5 per cent shall  
14 be distributed to the counties and allocated  
15 pursuant to subparagraph (A) for the maintenance  
16 and repair of parks and recreation facilities;  
17 and

18 (5) \$3,000,000 shall be allocated to the special land and  
19 development fund established under section 171-19;  
20 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 2.   Statutory material to be repealed is bracketed  
19           and stricken.   New statutory material is underscored.





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**Report Title:**

Hawaii State Association of Counties (HSAC) Package; Transient Accommodations Tax; Allocations

**Description:**

Amends the allocation of transient accommodations tax revenues based upon the recommendations of the State-County Functions Working Group established by Act 174, Session Laws of Hawaii 2014, to consider the distribution of duties and responsibilities for public services between the State and the counties and to recommend a model for the allocation of transient accommodations tax revenues.

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

