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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) \$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;

17           ~~[(3) \$79,000,000]~~ (4) \$82,000,000 shall be allocated to  
18           the tourism special fund established under section  
19           201B-11~~[+]~~, which shall be adjusted annually to  
20           reflect the percentage change in the Consumer Price  
21           Index for all Urban Consumers published by the Bureau



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1           of Labor Statistics of the federal Department of  
2           Labor; provided that:

3           ~~[(A) Beginning on July 1, 2012, and ending on June 30,~~  
4           ~~2015, \$2,000,000 shall be expended from the~~  
5           ~~tourism special fund for development and~~  
6           ~~implementation of initiatives to take advantage~~  
7           ~~of expanded visa programs and increased travel~~  
8           ~~opportunities for international visitors to~~  
9           ~~Hawaii;~~

10           ~~-(B)]~~    (A) Of the [\$79,000,000] amount allocated[+] to  
11           the tourism special fund:

- 12                   (i) \$1,000,000 shall be allocated for the  
13                   operation of a Hawaiian center and the  
14                   museum of Hawaiian music and dance; and  
15           (ii) 0.5 per cent of the \$79,000,000 shall be  
16                   transferred to a sub-account in the tourism  
17                   special fund to provide funding for a safety  
18                   and security budget, in accordance with the  
19                   Hawaii tourism strategic plan 2005-2015; and

20           ~~-(C)]~~    (B) Of the revenues remaining in the tourism  
21                   special fund after revenues have been deposited



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

10 [~~4~~] (5) [\$103,000,000] Of the excess revenues collected  
 11 under this chapter:

12 (A) Forty-five per cent shall be allocated as  
 13 follows: Kauai county shall receive 14.5 per  
 14 cent, Hawaii county shall receive 18.6 per cent,  
 15 city and county of Honolulu shall receive 44.1  
 16 per cent, and Maui county shall receive 22.8 per  
 17 cent; provided that commencing with fiscal year  
 18 2018-2019, 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) Fifty-five per cent shall be deposited to the  
 12 general fund.

13 ~~[-5) \$3,000,000 shall be allocated to the special land and~~  
 14 ~~development fund established under section 171-19;~~  
 15 ~~provided that the allocation shall be expended in~~  
 16 ~~accordance with the Hawaii tourism authority strategic~~  
 17 ~~plan for:~~

18 ~~(A) The protection, preservation, maintenance, and~~  
 19 ~~enhancement of natural resources, including~~  
 20 ~~beaches, important to the visitor industry;~~





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**Report Title:**

Maui County 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.*

