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A BILL FOR AN ACT

RELATING TO LIFEGUARD SERVICES AT STATE PARK BEACHES.

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

1 SECTION 1. The legislature finds that the tourism industry  
2 in Hawaii continues to grow, as visitor interest in Hawaii have  
3 surpassed previous records. The statewide visitor spending  
4 through July 2018 was \$10.92 billion (an increase of 9.8 per  
5 cent), surpassing the results for the same period last year.  
6 Total visitor arrivals rose 5.3 per cent to 939,360 visitors,  
7 the most ever for any month in Hawaii's history. The increase  
8 in tourism requires safeguards to protect Hawaii's cultural and  
9 natural resources, its residents, and visitors to the islands.

10 Hawaii's natural resources, particularly its world-renowned  
11 beaches, are the frequent backdrop for global and local  
12 marketing to attract this increasing number of visitors. The  
13 department of land and natural resources, specifically through  
14 its state parks and certain state park beaches are observing and  
15 managing greater park patronage due to this increasing tourism  
16 numbers. The increase in visitor arrivals, with their  
17 inadequate ocean survival skills or knowledge of Hawaii's ocean  
18 conditions, have added to additional increases in beach

1 patronage and ancillary rescues. The department of land and  
2 natural resources relies on several and currently insufficient  
3 funding sources to pay for the cost of contracts with the  
4 counties for water safety officers at state park beaches that  
5 have been identified as high risk for drowning, spinal cord  
6 injury, and other ocean-related injuries. Additionally, the  
7 salary costs are increasing and the need to provide equipment to  
8 support water safety has increased the cost of these contracts  
9 since their inception.

10 There is additional pressure for the Honolulu and Kauai  
11 county water safety officers to work increased hours due to  
12 patronage that is still at risk after the routine working hours  
13 are completed. This adds expenses to the existing cost of these  
14 services. The legislature finds that revenue associated with  
15 the transient accommodations tax presents a clear nexus for  
16 enhancing visitor safety. A warranted source of funding in  
17 maintaining a skilled county water safety presence in select  
18 state beach parks is in critical need due to increasing tourism  
19 and beach patronage.

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

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

5           (1) \$1,500,000 shall be allocated to the Turtle Bay  
6 conservation easement special fund beginning July 1,  
7 2015, for the reimbursement to the state general fund  
8 of debt service on reimbursable general obligation  
9 bonds, including ongoing expenses related to the  
10 issuance of the bonds, the proceeds of which were used  
11 to acquire the conservation easement and other real  
12 property interests in Turtle Bay, Oahu, for the  
13 protection, preservation, and enhancement of natural  
14 resources important to the State, until the bonds are  
15 fully amortized;

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

19           (3) \$79,000,000 shall be allocated to the tourism special  
20 fund established under section 201B-11; provided that:

21           (A) Beginning on July 1, 2012, and ending on June 30,  
22 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 \$79,000,000 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; and

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

15           (C) Of the revenues remaining in the tourism special  
16           fund after revenues have been deposited as  
17           provided in this paragraph and except for any sum  
18           authorized by the legislature for expenditure  
19           from revenues subject to this paragraph,  
20           beginning July 1, 2007, funds shall be deposited  
21           into the tourism emergency special fund,  
22           established in section 201B-10, in a manner

1                   sufficient to maintain a fund balance of  
2                   \$5,000,000 in the tourism emergency special fund;

3       (4) \$103,000,000 shall be allocated as follows: Kauai  
4           county shall receive 14.5 per cent, Hawaii county  
5           shall receive 18.6 per cent, city and county of  
6           Honolulu shall receive 44.1 per cent, and Maui county  
7           shall receive 22.8 per cent; provided that commencing  
8           with fiscal year 2018-2019, a sum that represents the  
9           difference between a county public employer's annual  
10          required contribution for the separate trust fund  
11          established under section 87A-42 and the amount of the  
12          county public employer's contributions into that trust  
13          fund shall be retained by the state director of  
14          finance and deposited to the credit of the county  
15          public employer's annual required contribution into  
16          that trust fund in each fiscal year, as provided in  
17          section 87A-42, if the respective county fails to  
18          remit the total amount of the county's required annual  
19          contributions, as required under section 87A-43; [~~and~~]

20       (5) \$3,000,000 shall be allocated to the special land and  
21          development fund established under section 171-19;  
22          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 state  
5           parks, beaches, and trails important to the  
6           visitor industry;

7           (B) Planning, construction, and repair of facilities;  
8           and

9           (C) Operation and maintenance costs of public lands,  
10          including beaches, connected with enhancing the  
11          visitor experience~~[ ]~~; and

12          (6) \$5,000,000 shall be allocated to the state parks  
13          special fund established under section 184-3.4;  
14          provided that the allocation shall be expended for  
15          lifeguard services, including but not limited to  
16          salary and equipment, at state beach parks for public  
17          safety at these areas frequented by visitors.

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

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

4           SECTION 3. Statutory material to be repealed is bracketed  
5 and stricken. New statutory material is underscored.

6           SECTION 4. This Act, upon its approval, shall take effect  
7 on July 1, 2020.

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INTRODUCED BY: \_\_\_\_\_



10

BY REQUEST

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JAN 21 2020

# H.B. NO. 2359

**Report Title:**

Lifeguards, State Parks; Transient Accommodation Tax

**Description:**

Allocates Transient Accommodations Tax revenues to the Department of Land and Natural Resources to cover lifeguard service expenses incurred at state park beaches.

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



# H.B. No. 2359

## JUSTIFICATION SHEET

DEPARTMENT: Land and Natural Resources

TITLE: A BILL FOR AN ACT RELATING TO LIFEGUARD SERVICES AT STATE PARK BEACHES.

PURPOSE: To allocate Transient Accommodations Tax (TAT) revenues to the Department to cover lifeguard service expenses incurred at state park beaches.

MEANS: Amend section 237D-6.5(b), Hawaii Revised Statutes.

JUSTIFICATION: Hawaii's natural resources, particularly its world-renowned beaches, are the frequent backdrop for global and local marketing to attract this increasing number of visitors. The increase in visitor arrivals, with their inadequate ocean survival skills or knowledge of Hawaii's ocean conditions, have added to additional increases in beach patronage and ancillary rescues. The Department relies on several and currently insufficient funding sources to pay for the cost of contracts with the counties for water safety officers at state park beaches that have been identified as high risk for drowning, spinal cord injury and other ocean related injuries. Additionally, the salary costs are increasing and the need to provide equipment to support water safety has increased the cost of these contracts since their inception.

A dedicated and sole source of funding in maintaining a skilled county water safety presence in select state beach parks is in critical need due to increasing tourism and beach patronage.

This allocation of TAT revenues would be used exclusively for lifeguard salaries and equipment costs at state park beaches more prone to safety issues.

Impact on the public: This bill would provide the Department with additional funding to cover the cost of contracts with the counties for water safety officers at state park beaches that have been identified as high risk for drowning, spinal cord injury and other ocean related injuries.

Impact on the department and other agencies: This bill would relieve the Department from having to divert funding that would otherwise be used for operation and maintenance at other state parks and state park programs.

GENERAL FUND: None.

OTHER FUNDS: None.

PPBS PROGRAM  
DESIGNATION: LNR 806

OTHER AFFECTED  
AGENCIES: None.

EFFECTIVE DATE: July 1, 2020