
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. The legislature finds that Hawaii continues to
2 be one of the top destinations for vacationers. In 2016, the
3 State of Hawaii saw 8,821,802 visitors, and that number is
4 projected to increase to 9,562,109 in 2018 and 9,847,610 in
5 2020. As the number of visitors continues to grow, more strain
6 is put on the State's facilities, such as state parks, trails,
7 small boat harbor facilities, and other natural areas that are
8 operated and maintained by the department of land and natural
9 resources. The legislature believes that given the continued
10 growth of visitors, more investment is needed in Hawaii's
11 natural resources and environment.

12 The purpose of this Act is to increase the allocation of
13 funds from transient accommodations tax revenue to the special
14 land and development fund, in order to improve certain state
15 facilities.

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



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:



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

8 (B) Of the \$79,000,000 allocated:
9 (i) \$1,000,000 shall be allocated for the
10 operation of a Hawaiian center and the
11 museum of Hawaiian music and dance at the
12 Hawaii convention center; and

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

18 (C) Of the revenues remaining in the tourism special
19 fund after revenues have been deposited as
20 provided in this paragraph and except for any sum
21 authorized by the legislature for expenditure

1 from revenues subject to this paragraph,
2 beginning July 1, 2007, funds shall be deposited
3 into the tourism emergency special fund,
4 established in section 201B-10, in a manner
5 sufficient to maintain a fund balance of
6 \$5,000,000 in the tourism emergency special fund;

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



1 remit the total amount of the county's required annual
2 contributions, as required under section 87A-43; and
3 (5) [~~\$3,000,000~~] \$5,000,000 shall be allocated to the
4 special land and development fund established under
5 section 171-19; provided that the allocation shall be
6 expended in accordance with the Hawaii tourism
7 authority strategic plan for:

8 (A) The protection, preservation, maintenance, and
9 enhancement of natural resources, including state
10 parks, beaches, and trails important to the
11 visitor industry;

12 (B) Planning, construction, and repair of facilities;
13 and

14 (C) Operation [~~and~~], maintenance, and enforcement
15 costs of public lands, including state parks,
16 beaches, and trails connected with enhancing the
17 visitor experience.

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.



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 shall take effect on July 1, 2019.

7

INTRODUCED BY:

ATCO
By
Ch Todd
DOH

JAN 18 2019



H.B. NO. 548

Report Title:

Transient Accommodations Tax Revenue; Special Land and Development Fund

Description:

Increases the allocation of funds from transient accommodations tax revenue to the special land and development fund to improve certain state resources and services.

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

