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# A BILL FOR AN ACT

RELATING TO TOURISM.

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

1           SECTION 1. The legislature finds that Hawaii is vulnerable  
2 to a wide variety of natural disasters, including volcanic  
3 eruptions, tsunami, wildfires, flooding, and tropical cyclones.  
4 This vulnerability was underscored this past year, as the State  
5 experienced serious property damage from major flooding events,  
6 the close approach of Hurricane Lane, and the landfall of  
7 Tropical Storm Olivia. Although much emphasis has been placed  
8 on ensuring that our residents are prepared for natural  
9 disasters, the State also has a responsibility to ensure the  
10 safety of its visitor population. The magnitude of this  
11 responsibility is substantial, as the State hosts up to two  
12 hundred twenty thousand visitors on any given day.

13           The legislature notes that the Hawaii convention center is  
14 a large facility consisting of 1,100,000 square feet across  
15 multiple floors, including a two hundred thousand square foot  
16 exhibition hall with drive-on floor access and a three hundred  
17 fifty-pound per square foot floor load capacity. The convention



1 center also serves as the emergency operations center for the  
2 Hawaii tourism authority to address and direct the tourism  
3 industry during statewide emergencies. Accordingly, the  
4 legislature finds that the convention center could serve as a  
5 valuable resource in the case of a natural disaster or other  
6 emergency. Specifically, the convention center could shelter  
7 visitors to nearby Waikiki and serve as a logistics center from  
8 which the Hawaii tourism authority could distribute key  
9 emergency supplies.

10 Although the Hawaii tourism authority has access to the  
11 tourism emergency special fund established by section 201B-10,  
12 Hawaii Revised Statutes, this fund was not intended to be used  
13 directly for the convention center. Therefore, the legislature  
14 finds that additional funds must be made available to the Hawaii  
15 tourism authority to ensure that the convention center is  
16 properly maintained and can be used to its full potential in the  
17 case of an emergency.

18 Accordingly, the purpose of this Act is to:

19 (1) Establish a convention center repair and maintenance  
20 special fund for the repair and maintenance of the  
21 Hawaii convention center;



- 1           (2) Amend the permissible uses of the convention center
- 2                   enterprise special fund established pursuant to
- 3                   section 201B-8, Hawaii Revised Statutes;
- 4           (3) Establish a convention center emergency special fund
- 5                   to be used to facilitate the Hawaii convention
- 6                   center's use as a resource for the tourism industry in
- 7                   the case of a disaster or other emergency; and
- 8           (4) Allocate portions of transient accommodations tax
- 9                   revenue to these special funds in fiscal years 2018-
- 10                  2019, 2019-2020, 2020-2021, and 2021-2022.

11           SECTION 2. Chapter 201B, Hawaii Revised Statutes, is  
12 amended by adding two new sections to part I to be appropriately  
13 designated and to read as follows:

14           "§201B-A Convention center repair and maintenance special  
15 fund. (a) There is established in the state treasury the  
16 convention center repair and maintenance special fund, into  
17 which shall be deposited:

- 18           (1) A portion of the revenues from any transient
- 19                   accommodations tax, as provided by section 237D-6.5;
- 20           (2) Appropriations by the legislature to the convention
- 21                   center repair and maintenance special fund;



1       (3) Investment earnings from moneys in the convention  
2       center emergency special fund established pursuant to  
3       section 201B-B; and

4       (4) Gifts, grants, and other funds accepted by the  
5       authority.

6       (b) Moneys in the convention center repair and maintenance  
7 special fund may be:

8       (1) Placed in interest-bearing accounts; provided that the  
9       depository in which the money is deposited furnishes  
10       security as provided in section 38-3; or

11       (2) Otherwise invested by the authority until such time as  
12       the moneys may be needed; provided that the authority  
13       shall limit its investments to those listed in section  
14       36-21.

15 All interest accruing from the investment of these moneys shall  
16 be credited to the convention center repair and maintenance  
17 special fund.

18       (c) Moneys in the convention center repair and maintenance  
19 special fund shall be used for repair and maintenance of the  
20 Hawaii convention center; provided that moneys in the convention



1 center repair and maintenance special fund may also be used for  
2 capital improvements to the Hawaii convention center.

3 (d) Expenditure of the funds in the repair and maintenance  
4 special fund shall require approval of the board.

5 (e) The authority shall submit to the legislature no later  
6 than twenty days prior to the convening of each regular session  
7 a report on the expenditure of moneys from the special fund in  
8 the previous fiscal year, the balance of the moneys remaining in  
9 the special fund, and the purpose for which those moneys are to  
10 be used.

11 **§201B-B Convention center emergency special fund.** (a)  
12 There is established outside the state treasury a convention  
13 center emergency special fund to be administered by the board,  
14 into which shall be deposited the revenues prescribed by section  
15 237D-6.5(b). All investment earnings from moneys in the special  
16 fund shall be credited to the convention center repair and  
17 maintenance special fund established pursuant to section 201B-A.

18 (b) Moneys in the special fund shall be used to facilitate  
19 the use of the convention center as a resource for the tourism  
20 industry in case of a natural disaster or other emergency.  
21 Expenditure of the funds in the convention center emergency



1 special fund shall require an emergency declaration by the  
2 governor, authorizing expenditure of the funds, and approval of  
3 the board.

4 (c) The authority shall submit to the legislature, no  
5 later than twenty days prior to the convening of each regular  
6 session, a report on the expenditure of moneys from the special  
7 fund in the previous fiscal year, the balance of the moneys  
8 remaining in the special fund, and the purpose for which those  
9 moneys are to be used.

10 (d) Use of the special fund, consistent with subsection  
11 (b), shall be provided for in articles, bylaws, resolutions, or  
12 other instruments executed by the board as administrator for the  
13 special fund."

14 SECTION 3. Section 201B-8, Hawaii Revised Statutes, is  
15 amended by amending subsection (b) to read as follows:

16 "(b) Moneys in the convention center enterprise special  
17 fund shall be used by the authority for the payment of expenses  
18 arising from any and all use, operation, [~~maintenance~~]  
19 alteration, or capital improvement [~~, or any unforeseen or~~  
20 ~~unplanned repairs~~] of the convention center[~~7~~] that does not  
21 qualify as a repair or maintenance project to be funded under



1 the convention center repair and maintenance special fund  
2 established pursuant to section 201B-A, including without  
3 limitation the food and beverage service and parking service  
4 provided at the convention center facility, the sale of  
5 souvenirs, logo items, or other items, for any future major  
6 [~~repair, maintenance, and~~] improvement of the convention center  
7 facility as a commercial enterprise or as a world class facility  
8 for conventions, entertainment, or public events, and for  
9 marketing the facility pursuant to section 201B-7(a)(7)."

10 SECTION 4. Section 237D-6.5, Hawaii Revised Statutes, is  
11 amended by amending subsection (b) to read as follows:

12 "(b) Except for the revenues collected pursuant to section  
13 237D-2(e), revenues collected under this chapter shall be  
14 distributed in the following priority, with the excess revenues  
15 to be deposited into the general fund:

16 (1) \$1,500,000 shall be allocated to the Turtle Bay  
17 conservation easement special fund beginning July 1,  
18 2015, for the reimbursement to the state general fund  
19 of debt service on reimbursable general obligation  
20 bonds, including ongoing expenses related to the  
21 issuance of the bonds, the proceeds of which were used



1 to acquire the conservation easement and other real  
2 property interests in Turtle Bay, Oahu, for the  
3 protection, preservation, and enhancement of natural  
4 resources important to the State, until the bonds are  
5 fully amortized;

6 (2) \$16,500,000 shall be allocated to the convention  
7 center enterprise special fund established under  
8 section 201B-8;

9 (3) \$79,000,000 shall be allocated to the tourism special  
10 fund established under section 201B-11; provided that:

11 (A) Beginning on July 1, 2012, and ending on June 30,  
12 2015, \$2,000,000 shall be expended from the  
13 tourism special fund for development and  
14 implementation of initiatives to take advantage  
15 of expanded visa programs and increased travel  
16 opportunities for international visitors to  
17 Hawaii;

18 (B) Of the \$79,000,000 allocated:

19 (i) \$1,000,000 shall be allocated for the  
20 operation of a Hawaiian center and the





1 museum of Hawaiian music and dance at the  
2 Hawaii convention center; and  
3 (ii) 0.5 per cent of the \$79,000,000 shall be  
4 transferred to a sub-account in the tourism  
5 special fund to provide funding for a safety  
6 and security budget, in accordance with the  
7 Hawaii tourism strategic plan 2005-2015; and  
8 (C) Of the revenues remaining in the tourism special  
9 fund after revenues have been deposited as  
10 provided in this paragraph and except for any sum  
11 authorized by the legislature for expenditure  
12 from revenues subject to this paragraph,  
13 beginning July 1, 2007, funds shall be deposited  
14 into the tourism emergency special fund,  
15 established in section 201B-10, in a manner  
16 sufficient to maintain a fund balance of  
17 \$5,000,000 in the tourism emergency special fund;  
18 (4) \$103,000,000 shall be allocated as follows: Kauai  
19 county shall receive 14.5 per cent, Hawaii county  
20 shall receive 18.6 per cent, city and county of  
21 Honolulu shall receive 44.1 per cent, and Maui county



1 shall receive 22.8 per cent; provided that commencing  
2 with fiscal year 2018-2019, a sum that represents the  
3 difference between a county public employer's annual  
4 required contribution for the separate trust fund  
5 established under section 87A-42 and the amount of the  
6 county public employer's contributions into that trust  
7 fund shall be retained by the state director of  
8 finance and deposited to the credit of the county  
9 public employer's annual required contribution into  
10 that trust fund in each fiscal year, as provided in  
11 section 87A-42, if the respective county fails to  
12 remit the total amount of the county's required annual  
13 contributions, as required under section 87A-43; ~~and~~

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

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



1 (B) Planning, construction, and repair of facilities;  
2 and

3 (C) Operation and maintenance costs of public lands,  
4 including beaches, connected with enhancing the  
5 visitor experience[-];

6 (6) \$2,000,000 for fiscal years 2019-2020, 2020-2021,  
7 2021-2022, and 2022-2023 shall be allocated to the  
8 convention center repair and maintenance special fund  
9 established under section 201B-A; and

10 (7) \$5,000,000 for fiscal years 2019-2020, 2020-2021,  
11 2021-2022, and 2022-2023 shall be allocated to the  
12 convention center emergency special fund established  
13 under section 201B-B.

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

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




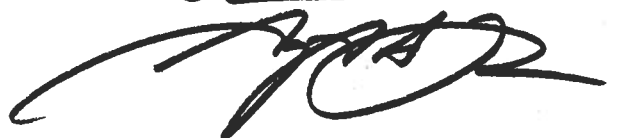

1 SECTION 5. In codifying the new sections added by section  
 2 of this Act and referenced in section 4 of this Act, the  
 3 revisor of statutes shall substitute appropriate section numbers  
 4 for the letters used in designating the new sections in this  
 5 Act.

6 SECTION 6. Statutory material to be repealed is bracketed  
 7 and stricken. New statutory material is underscored.

8 SECTION 7. This Act shall take effect on July 1, 2019.

9

INTRODUCED BY: 

JAN 22 2019



**Report Title:**

Hawaii Tourism Authority; Transient Accommodations Tax;  
Convention Center Repair and Maintenance Special Fund;  
Convention Center Emergency Special Fund; Establishment

**Description:**

Establishes the convention center repair and maintenance special fund and the convention center emergency special fund. Allocates a portion of the transient accommodations tax to those funds. Removes repair and maintenance as permissible uses of the convention center enterprise special fund. Requires annual reports to the Legislature.

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

