
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 residents are prepared for natural disasters,
9 the State also has a responsibility to ensure the safety of its
10 visitor population. The magnitude of this responsibility is
11 substantial, as the State hosts up to two hundred twenty
12 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 from nearby Waikiki and serve as a logistics center
8 from 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 event of a natural disaster or other emergency;
8 and

9 (4) Allocate portions of transient accommodations tax
10 revenue to these special funds in fiscal years 2019-
11 2020, 2020-2021, 2021-2022, and 2022-2023.

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

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

19 (1) A portion of the revenues from any transient
20 accommodations tax, as provided by section 237D-6.5;



1 (2) Appropriations by the legislature to the convention
2 center repair and maintenance special fund;

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

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

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

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

13 (2) Otherwise invested by the authority until such time as
14 the moneys may be needed; provided that the authority
15 shall limit its investments to those listed in section
16 36-21.

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

20 (c) Moneys in the convention center repair and maintenance
21 special fund shall be used for repair and maintenance of the



1 Hawaii convention center; provided that moneys in the convention
2 center repair and maintenance special fund may also be used for
3 capital improvements to the Hawaii convention center.

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

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

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

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



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

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

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

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

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



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

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

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

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



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

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

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

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

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

20 (i) \$1,000,000 shall be allocated for the
21 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) \$ _____ for fiscal years 2019-2020, 2020-2021, 2021-
7 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) \$ _____ for fiscal years 2019-2020, 2020-2021, 2021-
11 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 2 of this Act and referenced in sections 3 and 4 of this Act,
3 the revisor of statutes shall substitute appropriate section
4 numbers for the letters used in designating the new sections in
5 this 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, 2100.



Report Title:

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 transient accommodations tax revenue to those funds. Removes repair and maintenance as permissible uses of the Convention Center Enterprise Special Fund. Requires annual reports to the Legislature. Effective 7/1/2100. (SD1)

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

