

JAN 24 2019

A BILL FOR AN ACT

RELATING TO COUNTIES.

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

1 SECTION 1. The purpose of this Act is to eliminate the cap
2 established for the distribution of transient accommodations tax
3 revenues to the counties.

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

6 "(b) Except for the revenues collected pursuant to section
7 237D-2(e), revenues collected under this chapter shall be
8 distributed in the following priority, with the excess revenues
9 to be deposited into the general fund:

10 (1) [~~\$1,500,000~~] \$ _____ shall be allocated to the
11 Turtle Bay conservation easement special fund
12 beginning July 1, 2015, for the reimbursement to the
13 state general fund of debt service on reimbursable
14 general obligation bonds, including ongoing expenses
15 related to the issuance of the bonds, the proceeds of
16 which were used to acquire the conservation easement
17 and other real property interests in Turtle Bay, Oahu,



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1 for the protection, preservation, and enhancement of
2 natural resources important to the State, until the
3 bonds are fully amortized;

4 (2) [~~\$16,500,000~~] \$ _____ shall be allocated to the
5 convention center enterprise special fund established
6 under section 201B-8;

7 (3) [~~\$79,000,000~~] \$ _____ shall be allocated to the
8 tourism special fund established under section
9 201B-11; provided that:

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

17 (B) Of the [~~\$79,000,000~~] \$ _____ allocated:

18 (i) [~~\$1,000,000~~] \$ _____ shall be allocated
19 for the operation of a Hawaiian center and
20 the museum of Hawaiian music and dance at
21 the Hawaii convention center; and



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1 (ii) 0.5 per cent of the [~~\$79,000,000~~]
2 \$ _____ shall be transferred to a sub-
3 account in the tourism special fund to
4 provide funding for a safety and security
5 budget, in accordance with the Hawaii
6 tourism strategic plan 2005-2015; and
7 (C) Of the revenues remaining in the tourism special
8 fund after revenues have been deposited as
9 provided in this paragraph and except for any sum
10 authorized by the legislature for expenditure
11 from revenues subject to this paragraph,
12 beginning July 1, 2007, funds shall be deposited
13 into the tourism emergency special fund,
14 established in section 201B-10, in a manner
15 sufficient to maintain a fund balance of
16 \$5,000,000 in the tourism emergency special fund;
17 (4) [~~\$103,000,000~~] 44.8 per cent of the revenues collected
18 after revenues have been deposited as provided in this
19 section shall be allocated to the counties and
20 distributed as follows: Kauai county shall receive
21 14.5 per cent, Hawaii county shall receive 18.6 per



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1 cent, city and county of Honolulu shall receive 44.1
2 per cent, and Maui county shall receive 22.8 per cent;
3 provided that commencing with fiscal year 2018-2019, a
4 sum that represents the difference between a county
5 public employer's annual required contribution for the
6 separate trust fund established under section 87A-42
7 and the amount of the county public employer's
8 contributions into that trust fund shall be retained
9 by the state director of finance and deposited to the
10 credit of the county public employer's annual required
11 contribution into that trust fund in each fiscal year,
12 as provided in section 87A-42, if the respective
13 county fails to remit the total amount of the county's
14 required annual contributions, as required under
15 section 87A-43; and

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



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- 1 (A) The protection, preservation, maintenance, and
- 2 enhancement of natural resources, including
- 3 beaches, important to the visitor industry;
- 4 (B) Planning, construction, and repair of facilities;
- 5 and
- 6 (C) Operation and maintenance costs of public lands,
- 7 including beaches, connected with enhancing the
- 8 visitor experience.

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

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

16 SECTION 3. Statutory material to be repealed is bracketed
 17 and stricken. New statutory material is underscored.

18 SECTION 4. This Act shall take effect on July 1, 2019.

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INTRODUCED BY:

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Report Title:

Transient Accommodations Tax; Revenue Distributions; Counties

Description:

Amends the distribution of transient accommodations tax revenues.

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