

JAN 18 2019

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# 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 due to the ambiguity  
2 of how the county percentages in section 237D-6.5(b)(4), Hawaii  
3 Revised Statutes, were originally calculated, these percentages  
4 should be revised to reflect the current population growth of  
5 each county, so as to ensure a fair allocation of transient  
6 accommodations taxes to each county. According to United States  
7 Census data, from 2010 to 2017, the population of the neighbor  
8 island counties (Hawaii 8.3 per cent, Kauai 7.6 per cent, and  
9 Maui 7.4 per cent) grew more rapidly than that of the city and  
10 county of Honolulu (3.7 per cent).

11           The purpose of this Act is to provide a more fair,  
12 consistent, and reliable allocation of transient accommodations  
13 tax revenues to the counties.

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

16           "(b) Except for the revenues collected pursuant to section  
17 237D-2(e), revenues collected under this chapter shall be



1 distributed in the following priority, with the excess revenues  
2 to be deposited into the general fund:

3 (1) \$1,500,000 shall be allocated to the Turtle Bay  
4 conservation easement special fund beginning July 1,  
5 2015, for the reimbursement to the state general fund  
6 of debt service on reimbursable general obligation  
7 bonds, including ongoing expenses related to the  
8 issuance of the bonds, the proceeds of which were used  
9 to acquire the conservation easement and other real  
10 property interests in Turtle Bay, Oahu, for the  
11 protection, preservation, and enhancement of natural  
12 resources important to the State, until the bonds are  
13 fully amortized;

14 (2) \$16,500,000 shall be allocated to the convention  
15 center enterprise special fund established under  
16 section 201B-8;

17 (3) \$79,000,000 shall be allocated to the tourism special  
18 fund established under section 201B-11; provided that:

19 (A) Beginning on July 1, 2012, and ending on June 30,  
20 2015, \$2,000,000 shall be expended from the  
21 tourism special fund for development and



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1 implementation of initiatives to take advantage  
2 of expanded visa programs and increased travel  
3 opportunities for international visitors to  
4 Hawaii;

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

6 (i) \$1,000,000 shall be allocated for the  
7 operation of a Hawaiian center and the  
8 museum of Hawaiian music and dance at the  
9 Hawaii convention center; 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,



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1            established in section 201B-10, in a manner  
2            sufficient to maintain a fund balance of  
3            \$5,000,000 in the tourism emergency special fund;  
4        (4)    [~~\$103,000,000~~] \$ \_\_\_\_\_ shall be allocated as  
5            follows: Kauai county shall receive [~~14.5~~] \_\_\_\_ per  
6            cent, Hawaii county shall receive [~~18.6~~] \_\_\_\_ per  
7            cent, city and county of Honolulu shall receive [~~44.1~~]  
8            \_\_\_\_ per cent, and Maui county shall receive [~~22.8~~]  
9            \_\_\_\_ per cent; provided that commencing with fiscal  
10          year 2018-2019, a sum that represents the difference  
11          between a county public employer's annual required  
12          contribution for the separate trust fund established  
13          under section 87A-42 and the amount of the county  
14          public employer's contributions into that trust fund  
15          shall be retained by the state director of finance and  
16          deposited to the credit of the county public  
17          employer's annual required contribution into that  
18          trust fund in each fiscal year, as provided in section  
19          87A-42, if the respective county fails to remit the  
20          total amount of the county's required annual  
21          contributions, as required under section 87A-43; and



1           (5) \$3,000,000 shall be allocated to the special land and  
2           development fund established under section 171-19;  
3           provided that the allocation shall be expended in  
4           accordance with the Hawaii tourism authority strategic  
5           plan for:

6           (A) The protection, preservation, maintenance, and  
7           enhancement of natural resources, including  
8           beaches, important to the visitor industry;

9           (B) Planning, construction, and repair of facilities;  
10          and

11          (C) Operation and maintenance costs of public lands,  
12          including beaches, connected with enhancing the  
13          visitor experience.

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."



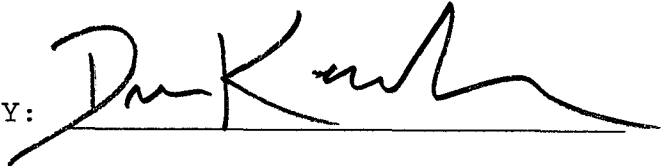
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1 SECTION 3. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 4. This Act shall take effect upon its approval.

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INTRODUCED BY:

A handwritten signature in black ink, appearing to read "Dan Kaul", is written over a horizontal line. The signature is fluid and cursive.

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**Report Title:**

Transient Accommodations Tax; County Distribution

**Description:**

Revises county allocations of transient accommodations tax revenues to reflect the growth in population of each respective county.

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

