

ACT 86

H.B. NO. 2010

A Bill for an Act Relating to Tourism.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Notwithstanding any agreement between the Hawaii tourism authority and the State of the indebtedness of the Hawaii tourism authority in connection with any general obligation bonds issued pursuant to Act 7, Special Session Laws of Hawaii 1993, that is outstanding as of the effective date of this Act, an amount of \$192,450,289 or so much thereof as may be owed is hereby canceled. To the extent of the amount canceled, the Hawaii tourism authority is relieved of all liability to the State under any agreement, including for any interest due under any agreement and any other fees and charges payable in connection with any agreement, and the total amount of the agreement owed to the State pursuant to any law or agreement shall be considered to be reduced by that amount. The amount of the indebtedness canceled under this section may be treated as a public debt of the State.

SECTION 2. Section 201B-8, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

“(b) Moneys in the convention center enterprise special fund shall be used by the authority for the payment of ~~[any and all of the following:~~

- (1) ~~Debt owed to the department of budget and finance relating to the convention center; and~~
- (2) ~~Expenses]~~ expenses arising from any and all use, operation, maintenance, alteration, improvement, or any unforeseen or unplanned repairs of the convention center, including without limitation the food and beverage service and parking service provided at the convention center facility, the sale of souvenirs, logo items, or other items, for any future major repair, maintenance, and improvement of the convention center facility as a commercial enterprise or as a

world class facility for conventions, entertainment, or public events, and for marketing the facility pursuant to section 201B-7(a)(7).”

SECTION 3. Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

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

- (1) \$1,500,000 shall be allocated to the Turtle Bay conservation easement special fund beginning July 1, 2015, for the reimbursement to the state general fund of debt service on reimbursable general obligation bonds, including ongoing expenses related to the issuance of the bonds, the proceeds of which were used to acquire the conservation easement and other real property interests in Turtle Bay, Oahu, for the protection, preservation, and enhancement of natural resources important to the State, until the bonds are fully amortized;
- (2) ~~[\$26,500,000]~~ \$16,500,000 shall be allocated to the convention center enterprise special fund established under section 201B-8;
- (3) ~~[\$82,000,000]~~ \$79,000,000 shall be allocated to the tourism special fund established under section 201B-11; provided that:
  - (A) Beginning on July 1, 2012, and ending on June 30, 2015, \$2,000,000 shall be expended from the tourism special fund for development and implementation of initiatives to take advantage of expanded visa programs and increased travel opportunities for international visitors to Hawaii;
  - (B) Of the ~~[\$82,000,000]~~ \$79,000,000 allocated:
    - (i) \$1,000,000 shall be allocated for the operation of a Hawaiian center and the museum of Hawaiian music and dance at the Hawaii convention center; and
    - (ii) 0.5 per cent of the ~~[\$82,000,000]~~ \$79,000,000 shall be transferred to a sub-account in the tourism special fund to provide funding for a safety and security budget, in accordance with the Hawaii tourism strategic plan 2005-2015; and
  - (C) Of the revenues remaining in the tourism special fund after revenues have been deposited as provided in this paragraph and except for any sum authorized by the legislature for expenditure from revenues subject to this paragraph, beginning July 1, 2007, funds shall be deposited into the tourism emergency special fund, established in section 201B-10, in a manner sufficient to maintain a fund balance of \$5,000,000 in the tourism emergency special fund;
- (4) \$103,000,000 shall be allocated as follows: Kauai county shall receive 14.5 per cent, Hawaii county shall receive 18.6 per cent, city and county of Honolulu shall receive 44.1 per cent, and Maui county shall receive 22.8 per cent; provided that commencing with fiscal year 2018-2019, a sum that represents the difference between a county public employer’s annual required contribution for the separate trust fund established under section 87A-42 and the amount of the county public employer’s contributions into that trust fund shall be retained by the state director of finance and deposited to the credit of the county public employer’s annual required contribution into that trust fund in each fiscal year, as provided in section

87A-42, if the respective county fails to remit the total amount of the county's required annual contributions, as required under section 87A-43; and

- (5) \$3,000,000 shall be allocated to the special land and development fund established under section 171-19; provided that the allocation shall be expended in accordance with the Hawaii tourism authority strategic plan for:
  - (A) The protection, preservation, maintenance, and enhancement of natural resources, including beaches, important to the visitor industry;
  - (B) Planning, construction, and repair of facilities; and
  - (C) Operation and maintenance costs of public lands, including beaches, connected with enhancing the visitor experience.

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

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

SECTION 4. There is appropriated out of the general revenues of the State of Hawaii the sum of \$1,000,000 or so much thereof as may be necessary for fiscal year 2018-2019 for the Hawaii tourism authority to implement initiatives, in conjunction with the Hawaii lodging and tourism association, to address homelessness in tourist and resort areas; provided that no funds shall be released unless matched dollar-for-dollar by the private sector.

The sum appropriated shall be expended by the department of business, economic development, and tourism for the purposes of this Act.

SECTION 5. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.

SECTION 6. This Act shall take effect on July 1, 2018.

(Approved June 29, 2018.)