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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. Section 171-19, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:  
3 "(a) There is created in the department a special fund to  
4 be designated as the "special land and development fund".  
5 Subject to the Hawaiian Homes Commission Act of 1920, as  
6 amended, and section 5(f) of the Admission Act of 1959, all  
7 proceeds of sale of public lands, including interest on deferred  
8 payments; all moneys collected under section 171-58 for mineral  
9 and water rights; all rents from leases, licenses, and permits  
10 derived from public lands; all moneys collected from lessees of  
11 public lands within industrial parks; all fees, fines, and other  
12 administrative charges collected under this chapter and chapter  
13 183C; a portion of the highway fuel tax collected under chapter  
14 243; all moneys collected by the department for the commercial  
15 use of public trails and trail accesses under the jurisdiction  
16 of the department; transient accommodations tax revenues  
17 collected pursuant to section [~~237D-6.5(b)(2)~~]; 237D-6.5(b)(4);  
18 and private contributions for the management, maintenance, and



1 development of trails and accesses shall be set apart in the  
2 fund and shall be used only as authorized by the legislature for  
3 the following purposes:

4 (1) To reimburse the general fund of the State for  
5 advances made that are required to be reimbursed from  
6 the proceeds derived from sales, leases, licenses, or  
7 permits of public lands;

8 (2) For the planning, development, management, operations,  
9 or maintenance of all lands and improvements under the  
10 control and management of the board[7] pursuant to  
11 title 12, including but not limited to permanent or  
12 temporary staff positions who may be appointed without  
13 regard to chapter 76; provided that transient  
14 accommodations tax revenues allocated pursuant to  
15 section 237D-6.5(b)(4) shall only be allocated and  
16 expended according to the mutual agreement of the  
17 board of land and natural resources and the board of  
18 directors of the Hawaii tourism authority in  
19 accordance with the Hawaii tourism authority strategic  
20 plan as provided in section 237D-6.5(b)(4);

21 (3) To repurchase any land, including improvements, in the  
22 exercise by the board of any right of repurchase



- 1 specifically reserved in any patent, deed, lease, or  
2 other documents or as provided by law;
- 3 (4) For the payment of all appraisal fees; provided that  
4 all fees reimbursed to the board shall be deposited in  
5 the fund;
- 6 (5) For the payment of publication notices as required  
7 under this chapter; provided that all or a portion of  
8 the expenditures may be charged to the purchaser or  
9 lessee of public lands or any interest therein under  
10 rules adopted by the board;
- 11 (6) For the management, maintenance, and development of  
12 trails and trail accesses under the jurisdiction of  
13 the department;
- 14 (7) For the payment to private land developers who have  
15 contracted with the board for development of public  
16 lands under section 171-60;
- 17 (8) For the payment of debt service on revenue bonds  
18 issued by the department, and the establishment of  
19 debt service and other reserves deemed necessary by  
20 the board;
- 21 (9) To reimburse the general fund for debt service on  
22 general obligation bonds issued to finance



1 departmental projects, where the bonds are designated  
2 to be reimbursed from the special land and development  
3 fund;

4 (10) For the protection, planning, management, and  
5 regulation of water resources under chapter 174C; and

6 (11) For other purposes of this chapter."

7 SECTION 2. Section 171-156, Hawaii Revised Statutes, is  
8 amended by amending subsection (a) to read as follows:

9 "(a) There is established in the state treasury a special  
10 fund to be designated as the "beach restoration special fund" to  
11 carry out the purposes of this part. The following moneys shall  
12 be deposited into the beach restoration special fund:

13 (1) Proceeds from the lease or development of public  
14 coastal lands designated pursuant to a beach  
15 restoration plan, subject to the Hawaiian Homes  
16 Commission Act of 1920, as amended, and section 5(f)  
17 of the Admission Act of 1959;

18 (2) Proceeds from the lease of public lands pursuant to  
19 this part for an existing seawall or revetment;

20 (3) Fines collected for unauthorized shoreline structures  
21 on state submerged land or conservation district land;



- 1 (4) Appropriations made by the legislature for deposit  
2 into this fund;
- 3 (5) Donations and contributions made by private  
4 individuals or organizations for deposit into this  
5 fund;
- 6 (6) Fees collected for the processing of applications for  
7 coastal and beach erosion control projects; [~~and~~]
- 8 (7) Grants provided by governmental agencies or any other  
9 source[-]; and
- 10 (8) Funds allocated from the transient accommodations tax  
11 revenues pursuant to section 171-19(a)(2)."

12 SECTION 3. Section 184-3.4, Hawaii Revised Statutes, is  
13 amended by amending subsection (a) to read as follows:

14 "(a) There is established within the state treasury a fund  
15 to be known as the state parks special fund, into which shall be  
16 deposited:

- 17 (1) All proceeds collected by the state parks programs  
18 involving park user fees, any leases or concession  
19 agreements, the sale of any article purchased from the  
20 department to benefit the state parks programs, or any  
21 gifts or contributions; provided that proceeds derived  
22 from the operation of Iolani Palace shall be used to



1 supplement its educational and interpretive programs;  
2 and  
3 (2) Transient accommodations tax revenues pursuant to  
4 section [~~237D-6.5; provided that these moneys shall be~~  
5 ~~expended in response to a master plan developed in~~  
6 ~~coordination with the Hawaii tourism authority.] 171-  
7 19(a)(2)."~~

8 SECTION 4. Section 198D-2, Hawaii Revised Statutes, is  
9 amended as follows:

10 1. By amending subsection (b) to read:

11 "(b) The trail and access program shall use funding for  
12 the management, maintenance, and development of trails and trail  
13 accesses under the jurisdiction of the department from the  
14 following sources:

- 15 (1) A portion of the highway fuel taxes collected under
- 16 chapter 243;
- 17 (2) Federal government grants;
- 18 (3) Private contributions;
- 19 (4) Fees, established pursuant to administrative rules and
- 20 charged by the department for the commercial and other
- 21 use of trails and trail accesses under the
- 22 jurisdiction of the department; and

1 (5) Transient accommodations tax revenues pursuant to  
2 section ~~[237D-6.5.]~~ 171-19(a)(2)."

3 2. By amending subsection (d) to read:

4 "(d) The moneys specified in subsection (b)(1), (3), and  
5 (4) ~~[, and (5)]~~ shall be deposited in the special land and  
6 development fund under section 171-19 for the management,  
7 maintenance, and development of trails and trail accesses under  
8 the jurisdiction of the department ~~[, provided that the moneys~~  
9 ~~specified in subsection (b)(5) shall be expended for the~~  
10 ~~management, maintenance, and development of trails and access~~  
11 ~~areas frequented by visitors in response to a master plan~~  
12 ~~developed in coordination with the Hawaii tourism authority]."~~

13 SECTION 5. Section 199-1.5, Hawaii Revised Statutes, is  
14 amended by amending subsection (b) to read as follows:

15 "(b) The following shall be deposited into the  
16 conservation and resources enforcement special fund:

17 (1) Grants, awards, donations, gifts, transfers, or moneys  
18 derived from public or private sources for the  
19 purposes of enforcing the provisions of title 12;  
20 chapters 6D, 6E, and 6K; or any rule adopted  
21 thereunder;



1 (2) Fees, reimbursements, administrative charges, and  
 2 penalties collected for activities related to the  
 3 enforcement of natural, cultural, and historic  
 4 resources protection laws and rules, except as  
 5 otherwise provided by law that provides for deposits  
 6 into other special funds administered by the  
 7 department;

8 (3) Moneys derived from interest, dividends, or other  
 9 income from the above-mentioned sources; [~~and~~]

10 (4) Appropriations by the legislature to the special  
 11 fund[-]; and

12 (5) Transient accommodations tax revenues pursuant to  
 13 section 171-19(a)(2)."

14 SECTION 6. Section 237D-6.5, Hawaii Revised Statutes, is  
 15 amended by amending subsection (b) to read as follows:

16 "(b) Revenues collected under this chapter shall be  
 17 distributed as follows, with the excess revenues to be deposited  
 18 into the general fund:

19 (1) \$33,000,000 shall be allocated to the convention  
 20 center enterprise special fund established under  
 21 section 201B-8;



- 1           (2) \$82,000,000 shall be allocated to the tourism special  
2 fund established under section 201B-11; provided that:
- 3           (A) Beginning on July 1, 2012, and ending on June 30,  
4 2015, \$2,000,000 shall be expended from the  
5 tourism special fund for development and  
6 implementation of initiatives to take advantage  
7 of expanded visa programs and increased travel  
8 opportunities for international visitors to  
9 Hawaii;
- 10          (B) Of the \$82,000,000 allocated:
- 11           (i) \$1,000,000 shall be allocated for the  
12 operation of a Hawaiian center and the  
13 museum of Hawaiian music and dance at the  
14 Hawaii convention center; and
- 15           (ii) 0.5 per cent of the \$82,000,000 shall be  
16 transferred to a sub-account in the tourism  
17 special fund to provide funding for a safety  
18 and security budget, in accordance with the  
19 Hawaii tourism strategic plan 2005-2015; and
- 20          (C) Of the revenues remaining in the tourism special  
21 fund after revenues have been deposited as  
22 provided in this paragraph and except for any sum



1 authorized by the legislature for expenditure  
2 from revenues subject to this paragraph,  
3 beginning July 1, 2007, funds shall be deposited  
4 into the tourism emergency trust fund,  
5 established in section 201B-10, in a manner  
6 sufficient to maintain a fund balance of  
7 \$5,000,000 in the tourism emergency trust fund;

8 (3) \$93,000,000 shall be allocated as follows: Kauai  
9 county shall receive 14.5 per cent, Hawaii county  
10 shall receive 18.6 per cent, city and county of  
11 Honolulu shall receive 44.1 per cent, and Maui county  
12 shall receive 22.8 per cent; provided that commencing  
13 with fiscal year 2018-2019, a sum that represents the  
14 difference between a county public employer's annual  
15 required contribution for the separate trust fund  
16 established under section 87A-42 and the amount of the  
17 county public employer's contributions into that trust  
18 fund shall be retained by the state director of  
19 finance and deposited to the credit of the county  
20 public employer's annual required contribution into  
21 that trust fund in each fiscal year, as provided in  
22 section 87A-42, if the respective county fails to



1 remit the total amount of the county's required annual  
2 contributions, as required under section 87A-43; and

3 (4) [~~Of the excess revenues deposited into the general~~  
4 ~~fund pursuant to this subsection,~~] \$3,000,000 shall be  
5 allocated to the special land and development fund,  
6 established pursuant to section 171-19, subject to the  
7 mutual agreement of the board of land and natural  
8 resources and the board of directors of the Hawaii  
9 tourism authority in accordance with the Hawaii  
10 tourism authority strategic plan for:

- 11 (A) The protection, preservation, and enhancement of  
12 natural resources important to the visitor  
13 industry;
- 14 (B) Planning, construction, and repair of facilities;  
15 and
- 16 (C) Operation and maintenance costs of public lands  
17 connected with enhancing the visitor experience.

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

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

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

6           SECTION 8. This Act shall take effect on July 1, 2030.



**Report Title:**

Transient Accommodations Tax; Special Land and Development Fund;  
Beach Restoration Special Fund; State Parks Special Fund

**Description:**

Specifies the distribution and allowable uses, subject to agreement between the Hawaii Tourism Authority and the Board of Land and Natural Resources, of Transient Accommodations Tax funds allocated to the Special Land and Development Fund for resource and facilities management costs related to Hawaii Tourism Authority's Strategic Plan. Effective July 1, 2030.  
(HB2434 HD2)

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

