



GOV. MSG. NO. 1325

EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

July 6, 2016

The Honorable Ronald D. Kouchi,
President
and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
Speaker and Members of the
House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on July 6, 2016, the following bill was signed into law:

SB2987 SD2 HD2 CD1

RELATING TO THE TRANSIENT
ACCOMMODATIONS TAX
ACT 223 (16)

Sincerely,

A handwritten signature in black ink that reads "David Y. Ige".

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

on JUL 6 2016

THE SENATE
TWENTY-EIGHTH LEGISLATURE, 2016
STATE OF HAWAII

ACT 223
S.B. NO.

2987
S.D. 2
H.D. 2
C.D. 1

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

3 "(b) Revenues collected under this chapter shall be
4 distributed in the following priority, with the excess revenues
5 to be deposited into the general fund:

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



- 1 (2) \$26,500,000 shall be allocated to the convention
2 center enterprise special fund established under
3 section 201B-8;
- 4 (3) \$82,000,000 shall be allocated to the tourism special
5 fund established under section 201B-11; provided that:
- 6 (A) Beginning on July 1, 2012, and ending on June 30,
7 2015, \$2,000,000 shall be expended from the
8 tourism special fund for development and
9 implementation of initiatives to take advantage
10 of expanded visa programs and increased travel
11 opportunities for international visitors to
12 Hawaii;
- 13 (B) Of the \$82,000,000 allocated:
- 14 (i) \$1,000,000 shall be allocated for the
15 operation of a Hawaiian center and the
16 museum of Hawaiian music and dance at the
17 Hawaii convention center; and
- 18 (ii) 0.5 per cent of the \$82,000,000 shall be
19 transferred to a sub-account in the tourism
20 special fund to provide funding for a safety



1 and security budget, in accordance with the
2 Hawaii tourism strategic plan 2005-2015; and
3 (C) Of the revenues remaining in the tourism special
4 fund after revenues have been deposited as
5 provided in this paragraph and except for any sum
6 authorized by the legislature for expenditure
7 from revenues subject to this paragraph,
8 beginning July 1, 2007, funds shall be deposited
9 into the tourism emergency special fund,
10 established in section 201B-10, in a manner
11 sufficient to maintain a fund balance of
12 \$5,000,000 in the tourism emergency special fund;
13 (4) \$103,000,000 for fiscal year 2014-2015, \$103,000,000
14 for fiscal year 2015-2016, \$103,000,000 for fiscal
15 year 2016-2017, and \$93,000,000 for each fiscal year
16 thereafter shall be allocated as follows: Kauai
17 county shall receive 14.5 per cent, Hawaii county
18 shall receive 18.6 per cent, city and county of
19 Honolulu shall receive 44.1 per cent, and Maui county
20 shall receive 22.8 per cent; provided that commencing
21 with fiscal year 2018-2019, a sum that represents the



1 difference between a county public employer's annual
2 required contribution for the separate trust fund
3 established under section 87A-42 and the amount of the
4 county public employer's contributions into that trust
5 fund shall be retained by the state director of
6 finance and deposited to the credit of the county
7 public employer's annual required contribution into
8 that trust fund in each fiscal year, as provided in
9 section 87A-42, if the respective county fails to
10 remit the total amount of the county's required annual
11 contributions, as required under section 87A-43; and
12 (5) \$3,000,000 shall be allocated to the special land and
13 development fund established under section 171-19;
14 provided that the allocation shall be expended in
15 accordance with the Hawaii tourism authority strategic
16 plan for:
17 (A) The protection, preservation, maintenance, and
18 enhancement of natural resources, including
19 beaches, important to the visitor industry;
20 (B) Planning, construction, and repair of facilities;
21 and



1 (C) Operation and maintenance costs of public lands,
2 including beaches, connected with enhancing the
3 visitor experience.

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

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

11 SECTION 2. New statutory material is underscored.

12 SECTION 3. This Act shall take effect on July 1, 2016.

APPROVED this 6 day of JUL, 2016



GOVERNOR OF THE STATE OF HAWAII