July 6, 2016

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

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

DAVID Y. IGE
Governor, State of Hawaiʻi
A BILL FOR AN ACT

RELATING TO THE TRANSIENT ACCOMMODATIONS TAX.

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

SECTION 1. Section 237D-6.5, Hawaii Revised Statutes, is amended by amending subsection (b) to read as follows:

"(b) 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 shall be allocated to the convention center enterprise special fund established under section 201B-8;

(3) $82,000,000 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 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 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 for fiscal year 2014-2015, $103,000,000
for fiscal year 2015-2016, $103,000,000 for fiscal
year 2016-2017, and $93,000,000 for each fiscal year
thereafter 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 2. New statutory material is underscored.

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

APPROVED this 6 day of JUL, 2016

GOVERNOR OF THE STATE OF HAWAII