JAN 1 9 2007

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 the visitor industry 2 serves as the backbone of our economy, generating a large 3 portion of tax revenues that support many state programs. In turn, Hawaii's visitor industry is sustained by these state 4 5 general funded programs, such as maintenance of our 6 transportation infrastructure, protection of our physical 7 environment, and preservation of our cultural heritage, amongst many others. Thus, the legislature understands that in order to 8 9 maintain a healthy visitor industry, we must also maintain a quality of life in Hawaii that is enjoyed by Hawaii residents 10 11 and visitors alike.

12 The legislature further finds that reinvestment of 13 transient accommodations tax revenues into specific programs 14 that support the visitor industry, ensures that it is sustained 15 and provides government support for industry expansion beyond 16 our traditional markets into destination-specific activities. 17 However, the legislature believes that continued financial

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support of visitor industry activities should not be borne by
 the State alone, and because the counties receive a share of
 revenues from the transient accommodations tax, the counties
 should also share in the costs of sustaining and expanding the
 visitor industry.

6 The purpose of this Act is to earmark a percentage of each
7 county's revenues from the transient accommodations tax for
8 programs that support tourism promotion and visitor industry
9 enhancements.

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

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

17.3 per cent of the revenues collected under this 15 (1)16 chapter shall be deposited into the convention center 17 enterprise special fund established under section 18 201B-8; provided that beginning January 1, 2002, if the amount of the revenue collected under this 19 20 paragraph exceeds \$33,000,000 in any calendar year, revenues collected in excess of \$33,000,000 shall be 21 22 deposited into the general fund;





1	(2)	34.2 per cent of the revenues collected under this
2		chapter shall be deposited into the tourism special
3		fund established under section 201B-11 for tourism
4		promotion and visitor industry research; provided that
5		beginning on July 1, 2002:
6		(A) Of the first \$1,000,000 in revenues deposited:
7		(i) Ninety per cent shall be deposited into the
8		state parks special fund established in
9		section 184-3.4; and
10		(ii) Ten per cent shall be deposited into the
11		special land and development fund
12		established in section 171-19 for the Hawaii
13		statewide trail and access program;
14		provided that of the 34.2 per cent, 0.5 per cent shall
15		be transferred to a sub-account in the tourism special
16		fund to provide funding for a safety and security
17		budget, in accordance with the Hawaii tourism
18		strategic plan 2005-2015; and
19	(3)	44.8 per cent of the revenues collected under this
20		chapter shall be transferred as follows: Kauai county
21		shall receive 14.5 per cent, Hawaii county shall
22		receive 18.6 per cent, city and county of Honolulu
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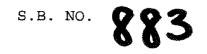
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shall receive 44.1 per cent, and Maui county shall 1 receive 22.8 per cent [-]; provided that at least two 2 per cent of each county's realizations under this 3 paragraph shall be earmarked for programs that support 4 tourism promotion and visitor industry enhancement. 5 All transient accommodations taxes shall be paid into the 6 state treasury each month within ten days after collection and 7 shall be kept by the state director of finance in special 8 accounts for distribution as provided in this subsection." 9 SECTION 3. Statutory material to be repealed is bracketed 10 and stricken. New statutory material is underscored. 11 SECTION 4. This Act shall take effect on July 1, 2007. 12 13

INTRODUCED BY:

Imas meresdo pe dle





Report Title:

Earmarks County Portion of Transient Accommodations Tax

Description:

Requires that two per cent of each county's transient accommodations tax revenue collections be used for tourism promotions and visitor industry enhancements.

