

COUNCIL OF THE COUNTY OF MAUI
POLICY AND INTERGOVERNMENTAL
AFFAIRS COMMITTEE

September 16, 2016

Committee
Report No. _____

Honorable Chair and Members
of the County Council
County of Maui
Wailuku, Maui, Hawaii

Chair and Members:

Your Policy and Intergovernmental Affairs Committee, having met on August 29, 2016, and September 6, 2016, makes reference to County Communication 15-157, from Presiding Officer Pro Tempore Michael P. Victorino, relating to Hawaii State Association of Counties matters.

Your Committee notes each year HSAC may compile a package of proposals and priorities to be presented to the State Legislature, pursuant to Section 13C of the HSAC Bylaws. Only those proposals and priorities approved by all four councils are included in the annual HSAC Legislative Package.

Your Committee has received various proposals for the 2017 HSAC Legislative Package, including State bills to amend the Sunshine Law to allow county council members to freely attend community meetings; to adjust allocation of the State's Transient Accommodations Tax; to allow persons with disabilities to indicate on their identification cards their disability; and to impose a 1 percent conveyance tax to support the counties' affordable housing funds. These four proposals are summarized below. Other proposals remain pending before your Committee.

Sunshine Law Proposal

By correspondence dated August 23, 2016, the Chair of your Committee transmitted a proposed resolution entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A BILL TO ENABLE COUNCILMEMBERS TO FREELY ATTEND COMMUNITY MEETINGS." The purpose of the proposed

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resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the resolution as Exhibit "A," entitled "A BILL FOR AN ACT RELATING TO COMMUNITY MEETINGS." The purpose of the proposed bill is to amend the State Sunshine Law, Part I, Chapter 92, Hawaii Revised Statutes, to allow members of a county council to attend and speak at community, educational, or informational meetings.

By correspondence dated September 1, 2016, the Chair of your Committee transmitted a revised proposed resolution, attaching a revised proposed State bill. The purpose of the revised proposed bill is to amend the Sunshine Law to allow members of a county council to attend community meetings without a limitation on the number of participants.

Your Committee noted the proposal is intended to make it easier for councilmembers to engage with their constituents and learn about community issues important to them.

Your Committee revised the bill to specify the community meetings be open to the public.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted "aye." Committee member Hokama was excused.

Your Committee is in receipt of a further revised proposed resolution entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ENABLE COUNCILMEMBERS TO FREELY ATTEND COMMUNITY MEETINGS," incorporating your Committee's revisions to the attached bill and nonsubstantive revisions.

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TAT Proposal

By correspondence dated August 23, 2016, the Chair of your Committee transmitted a proposed resolution entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A BILL RELATING TO TRANSIENT ACCOMMODATIONS TAX." The purpose of the proposed resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the proposed resolution as Exhibit "A," entitled "A BILL FOR AN ACT RELATING TO TRANSIENT ACCOMMODATIONS TAX." The purpose of the proposed bill is to change the allocation of the TAT.

By correspondence dated August 29, 2016, the Chair of your Committee transmitted a revised proposed resolution, attaching a proposed State bill, incorporating nonsubstantive revisions.

Your Committee emphasized the importance of TAT revenue to the counties.

Your Committee notes the State's annual share of the TAT has risen significantly as the visitor industry has grown and counties' shares have been capped.

Your Committee noted the State Director of Budget and Finance announced an estimated \$1 billion surplus at the end of Fiscal Year 2016.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted "aye." Committee member Hokama was excused.

Your Committee is in receipt of a further revised proposed resolution, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE

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BILL RELATING TO TRANSIENT ACCOMMODATIONS TAX,” incorporating nonsubstantive revisions.

Disability ID Cards Proposal

By correspondence dated August 29, 2016, Councilmember Elle Cochran transmitted a proposed resolution entitled “APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ALLOW PERSONS WITH DISABILITIES TO INDICATE ON THEIR IDENTIFICATION CARDS THEIR DISABILITY.” The purpose of the proposed resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the proposed resolution as Exhibit “A,” entitled “A BILL FOR AN ACT RELATING TO IDENTIFICATION CARDS FOR PERSONS WITH DISABILITIES.” The purpose of the proposed bill is to allow persons with disabilities to indicate on their ID card their disability.

Your Committee noted placement of a person’s disability on their ID card could prove to be useful information to first responders during an emergency.

Your Committee clarified the proposal does not insist persons with disabilities indicate a disability on their identification card, but provides it as an option.

Your Committee voted 8-0 to recommend adoption of the proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted “aye.” Committee member Hokama was excused.

Proposal for a Conveyance Tax to Fund Affordable Housing

By correspondence dated August 30, 2016, Councilmember Elle Cochran transmitted a proposed resolution entitled “APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES

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LEGISLATIVE PACKAGE A BILL TO INCREASE REVENUE FOR EACH COUNTY'S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX." The purpose of the proposed resolution is to approve for inclusion in the 2017 HSAC Legislative Package a proposed State bill, attached to the proposed resolution as Exhibit "A," entitled "A BILL FOR AN ACT RELATING TO THE CONVEYANCE TAX." The purpose of the proposed bill is to increase revenue for the counties' affordable housing funds through a 1 percent conveyance tax on sales of residential properties exceeding \$700,000 for five years.

Your Committee noted the proposal would add needed revenue to counties' affordable housing funds.

Your Committee noted the affordable housing shortage in Hawaii is critical.

Your Committee agreed with testifiers that the threshold of a \$700,000 purchase price was too low. Your Committee revised the proposal to raise the trigger for the proposed new conveyance tax to purchases exceeding \$1,000,000.

Your Committee voted 8-0 to recommend adoption of the revised proposed resolution. Committee Chair Victorino, Vice-Chair Couch, and members Baisa, Carroll, Cochran, Crivello, Guzman, and White voted "aye." Committee member Hokama was excused.

Your Committee is in receipt of a revised proposed resolution, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE REVENUE FOR EACH COUNTY'S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX," incorporating your Committee's revision and a nonsubstantive revision.

Your Policy and Intergovernmental Affairs Committee RECOMMENDS the following:

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1. That Resolution _____, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ENABLE COUNCILMEMBERS TO FREELY ATTEND COMMUNITY MEETINGS," be ADOPTED;
2. That Resolution _____, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL RELATING TO TRANSIENT ACCOMMODATIONS TAX," be ADOPTED;
3. That Resolution _____, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO ALLOW PERSONS WITH DISABILITIES TO INDICATE ON THEIR IDENTIFICATION CARDS THEIR DISABILITY," be ADOPTED; and
4. That Resolution _____, attached hereto, entitled "APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL TO INCREASE REVENUE FOR EACH COUNTY'S AFFORDABLE HOUSING FUND THROUGH A ONE PERCENT CONVEYANCE TAX," be ADOPTED.

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This report is submitted in accordance with Rule 8 of the Rules of the Council.



MICHAEL P. VICTORINO, Chair

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Resolution

No. _____

APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE
ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE
A STATE BILL TO ENABLE COUNCILMEMBERS TO FREELY ATTEND
COMMUNITY MEETINGS

WHEREAS, the State Sunshine Law (Part I, Chapter 92, Hawaii Revised Statutes) has been interpreted to restrict Councilmembers' attendance at public events, such as community and educational meetings; and

WHEREAS, the Sunshine Law is a serious matter, as violations carry potential criminal and civil penalties; and

WHEREAS, to better serve their constituents in a well-informed, transparent, and responsive manner, Councilmembers should be encouraged to freely attend community and educational meetings, without fear of violating the Sunshine Law; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," enabling Councilmembers to freely attend community and educational meetings, is approved for inclusion in the 2017 Hawaii State Association of Counties Legislative Package; and
2. That a certified copy of this resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

____.B. NO.____

A BILL FOR AN ACT

RELATING TO COMMUNITY MEETINGS.

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

1 SECTION 1. Section 92-2.5, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§92-2.5 Permitted interactions of members. (a) Two
4 members of a board may discuss between themselves matters
5 relating to official board business to enable them to perform
6 their duties faithfully, as long as no commitment to vote is
7 made or sought and the two members do not constitute a quorum of
8 their board.

9 (b) Two or more members of a board, but less than the
10 number of members which would constitute a quorum for the board,
11 may be assigned to:

12 (1) Investigate a matter relating to the official business
13 of their board; provided that:

14 (A) The scope of the investigation and the scope of
15 each member's authority are defined at a meeting of the board;

EXHIBIT "A"

____.B. NO. _____

1 (B) All resulting findings and recommendations are
2 presented to the board at a meeting of the board; and

3 (C) Deliberation and decisionmaking on the matter
4 investigated, if any, occurs only at a duly noticed meeting of
5 the board held subsequent to the meeting at which the findings
6 and recommendations of the investigation were presented to the
7 board; or

8 (2) Present, discuss, or negotiate any position which the
9 board has adopted at a meeting of the board; provided that the
10 assignment is made and the scope of each member's authority is
11 defined at a meeting of the board prior to the presentation,
12 discussion, or negotiation.

13 (c) Discussions between two or more members of a board,
14 but less than the number of members which would constitute a
15 quorum for the board, concerning the selection of the board's
16 officers may be conducted in private without limitation or
17 subsequent reporting.

18 (d) Board members present at a meeting that must be
19 canceled for lack of quorum or terminated pursuant to section
20 92-3.5(c) may nonetheless receive testimony and presentations on
21 items on the agenda and question the testifiers or presenters;
22 provided that:

1 (1) Deliberation or decisionmaking on any item, for which
2 testimony or presentations are received, occurs only at a duly
3 noticed meeting of the board held subsequent to the meeting at
4 which the testimony and presentations were received;

5 (2) The members present shall create a record of the oral
6 testimony or presentations in the same manner as would be
7 required by section 92-9 for testimony or presentations heard
8 during a meeting of the board; and

9 (3) Before its deliberation or decisionmaking at a
10 subsequent meeting, the board shall:

11 (A) Provide copies of the testimony and presentations
12 received at the canceled meeting to all members of the board;
13 and

14 (B) Receive a report by the members who were present
15 at the canceled or terminated meeting about the testimony and
16 presentations received.

17 (e) Two or more members of a board, but less than the
18 number of members which would constitute a quorum for the board,
19 may attend an informational meeting or presentation on matters
20 relating to official board business, including a meeting of
21 another entity, legislative hearing, convention, seminar, or
22 community meeting open to the public; provided that the meeting

____.B. NO. _____

1 or presentation is not specifically and exclusively organized
2 for or directed toward members of the board. The board members
3 in attendance may participate in discussions, including
4 discussions among themselves; provided that the discussions
5 occur during and as part of the informational meeting or
6 presentation; and provided further that no commitment relating
7 to a vote on the matter is made or sought.

8 At the next duly noticed meeting of the board, the board
9 members shall report their attendance and the matters presented
10 and discussed that related to official board business at the
11 informational meeting or presentation.

12 (f) Discussions between the governor and one or more
13 members of a board may be conducted in private without
14 limitation or subsequent reporting; provided that the discussion
15 does not relate to a matter over which a board is exercising its
16 adjudicatory function.

17 (g) Discussions between two or more members of a board and
18 the head of a department to which the board is administratively
19 assigned may be conducted in private without limitation;
20 provided that the discussion is limited to matters specified in
21 section 26-35.

Resolution

No. _____

APPROVING FOR INCLUSION IN THE 2017 HAWAII STATE
ASSOCIATION OF COUNTIES LEGISLATIVE PACKAGE A STATE BILL
RELATING TO TRANSIENT ACCOMMODATIONS TAX

WHEREAS, since 1987, the State of Hawaii has a tax upon room revenues derived from transient accommodations, known as the Transient Accommodations Tax, or TAT; and

WHEREAS, the Legislature dramatically reallocated TAT revenue to the State to help balance the State budget from 2007 to 2015, with economic downturn as the stated justification; and

WHEREAS, during this period, the State's TAT revenue increased by \$196.6 million, or 2,363 percent, while the counties' TAT revenue increased by only \$2.2 million, or 2.2 percent; and

WHEREAS, the State-County Functions Working Group, created by Act 174 (2014) to study TAT-revenue distribution, issued its Final Report in December 2015; and

WHEREAS, the Working Group's Final Report recommended that: (1) about \$113 million of TAT revenue be allocated to four State special purposes (the Hawaii Convention Center, the Tourism Special Fund, the Turtle Bay conservation easement and the Special Land Development Fund); (2) of the remaining TAT revenue, 55 percent be allocated to the State and 45 percent shared by the counties, without the imposition of an artificial cap; and

WHEREAS, the Council intends to support State legislation to implement the recommendations of the Working Group's Final Report; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to implement the recommendations of the State-County Functions Working Group relating to the Transient Accommodations Tax, is approved for inclusion in the 2017 Hawaii State Association of Counties Legislative Package; and

Resolution No. _____

2. That a certified copy of this resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

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A BILL FOR AN ACT

RELATING TO TRANSIENT ACCOMMODATIONS TAX.

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

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PART I

SECTION 1. (a) The legislature finds that:

(1) Pursuant to Act 174, Session Laws of Hawaii 2014, the state-county functions working group was convened to evaluate the division of duties and responsibilities between the State and counties relating to the provision of public services and to recommend an appropriate allocation of the transient accommodations tax revenues between the State and counties that properly reflects the division of duties and responsibilities relating to the provision of public services;

(2) Though the transient accommodations tax has evolved to meet the needs and purposes of the times, its structure and frequent amendment, combined with the cyclical nature of the visitor industry and the tax revenues it generates, has resulted in ongoing discussions among the various stakeholders, including the State, the counties, the visitor industry, the Hawaii tourism authority, and other recipients or potential recipients of transient accommodations tax revenues;

(3) The state-county functions working group, composed of state, county, and visitor industry representatives and other knowledgeable and concerned citizens, and which has been aided by experts, considered the legislature's assignment for over a year and delivered to the legislature its final unanimous report, inclusive of analysis, findings, conclusions, and recommendations;

(4) In particular, the state-county functions working group found and concluded that:

(A) The application of the transient accommodations tax and the allocation of its revenues should be simplified

____.B. NO. _____

1 and stabilized so as to be clear, consistent, and
2 predictable over time, in view of the need to invest in
3 tourism as a premier industry;
4

5 (B) The tourism special fund should be provided a
6 priority distribution of the transient accommodations tax
7 revenues at an assured minimum level, adjusted for
8 inflation, and regardless of overall transient
9 accommodations tax collections;
10

11 (C) After the priority distribution of the transient
12 accommodations tax revenues to the tourism special fund,
13 existing allocations to the Turtle Bay conservation
14 easement special fund, convention center enterprise special
15 fund, and special land and development fund should be
16 maintained at their current levels, with any additional
17 state funding of these efforts made out of state general
18 funds by separate appropriation;
19

20 (D) Based on a review of state and county functions,
21 including tourism expenditures, an appropriate allocation
22 of the remaining transient accommodations tax revenues is
23 fifty-five percent to the state general fund and forty-five
24 percent to the counties; and
25

26 (E) There should be no fixed dollar amounts, caps,
27 floors, or similar restrictions on allocations to the State
28 and counties of the remaining revenues; instead, both the
29 State and the county allocations should increase or
30 decrease proportionately with increasing or decreasing
31 transient accommodations tax revenues; and
32

33 (5) The state-county functions working group
34 recommendations reflect a fair, balanced, and reasonable
35 compromise of competing needs for scarce resources and provide a
36 sound policy base for the further administration of the
37 transient accommodations tax and its revenues.
38

39 (b) The purpose of this Act is to:
40

41 (1) Provide a fair, consistent, and predictable priority
42 allocation of transient accommodations tax revenues, of an
43 assured minimum amount, to the tourism special fund;
44

1 (2) Maintain allocation of transient accommodations tax
2 revenues to existing obligations at present levels;

3
4 (3) Provide a fair, consistent, and predictable allocation
5 of the balance of the transient accommodations tax revenues
6 between the State and the counties; and

7
8 (4) Provide flexibility to the tourism special fund,
9 State, and counties in the utilization of their respective
10 allocations.

11
12 PART II

13
14 SECTION 2. Section 237D-6.5, Hawaii Revised Statutes, is
15 amended by amending subsection (b) to read as follows:

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

20
21 [~~(1) \$1,500,000 shall be allocated to the Turtle Bay
22 conservation easement special fund beginning July 1, 2015, for
23 the reimbursement to the state general fund of debt service on
24 reimbursable general obligation bonds, including ongoing
25 expenses related to the issuance of the bonds, the proceeds of
26 which were used to acquire the conservation easement and other
27 real property interests in Turtle Bay, Oahu, for the protection,
28 preservation, and enhancement of natural resources important to
29 the State, until the bonds are fully amortized;~~]

30
31 (1) \$82,000,000 shall be allocated to the tourism special
32 fund established under section 201B-11; provided that, beginning
33 July 1, 2017, and in each fiscal year thereafter, the dollar
34 amount of revenues allocated to the tourism special fund under
35 this paragraph shall be adjusted by an amount equal to the
36 dollar amount multiplied by the percentage, if any, by which the
37 Honolulu region consumer price index for all urban consumers
38 (CPI-U), or a successor index, as calculated by the United
39 States Department of Labor, for the preceding calendar year
40 exceeds the consumer price index for the calendar year 2016;
41 provided further that:

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43 (A) Of the revenues allocated to the tourism special
44 fund:

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(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 percent 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; and

(B) 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;

(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~~

____.B. NO. _____

1 ~~(C) Of the revenues remaining in the tourism special~~
 2 ~~fund after revenues have been deposited as provided in this~~
 3 ~~paragraph and except for any sum authorized by the legislature~~
 4 ~~for expenditure from revenues subject to this paragraph,~~
 5 ~~beginning July 1, 2007, funds shall be deposited into the~~
 6 ~~tourism emergency special fund, established in section 201B-10,~~
 7 ~~in a manner sufficient to maintain a fund balance of \$5,000,000~~
 8 ~~in the tourism emergency special fund.]~~

9
 10 (3) \$3,000,000 shall be allocated to the special land and
 11 development fund established under section 171-19; provided that
 12 the allocation shall be expended in accordance with the Hawaii
 13 tourism authority strategic plan for:

14
 15 (A) The protection, preservation, maintenance, and
 16 enhancement of natural resources, including beaches,
 17 important to the visitor industry;

18
 19 (B) Planning, construction, and repair of facilities;
 20 and

21
 22 (C) Operation and maintenance costs of public lands,
 23 including beaches, connected with enhancing the visitor
 24 experience;

25
 26 (4) \$1,500,000 shall be allocated to the Turtle Bay
 27 conservation easement special fund beginning July 1, 2017, for
 28 the reimbursement to the state general fund of debt service on
 29 reimbursable general obligation bonds, including ongoing
 30 expenses related to the issuance of the bonds, the proceeds of
 31 which were used to acquire the conservation easement and other
 32 real property interests in Turtle Bay, Oahu, for the protection,
 33 preservation, and enhancement of natural resources important to
 34 the State, until the bonds are fully amortized; and

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 36 [4] ~~(5) [\$103,000,000 for fiscal year 2014-2015,~~
 37 ~~\$103,000,000 for fiscal year 2015-2016, \$103,000,000 for fiscal~~
 38 ~~year 2016, 2017, and \$93,000,000 for each fiscal year~~
 39 ~~thereafter] Of the remaining revenues collected under this~~
 40 chapter, forty-five percent shall be allocated to the counties
 41 and shall be distributed as follows: Kauai county shall receive
 42 14.5 per cent, Hawaii county shall receive 18.6 per cent, city
 43 and county of Honolulu shall receive 44.1 per cent, and Maui
 44 county shall receive 22.8 per cent; provided that commencing

.B. NO.

1 with fiscal year 2018-2019, a sum that represents the difference
2 between a county public employer's annual required contribution
3 for the separate trust fund established under section 87A-42 and
4 the amount of the county public employer's contributions into
5 that trust fund shall be retained by the state director of
6 finance and deposited to the credit of the county public
7 employer's annual required contribution into that trust fund in
8 each fiscal year, as provided in section 87A-42, if the
9 respective county fails to remit the total amount of the
10 county's required annual contributions, as required under
11 section 87A-43 [~~and~~

12
13 ~~(5) \$3,000,000 shall be allocated to the special land and~~
14 ~~development fund established under section 171-19; provided that~~
15 ~~the allocation shall be expended in accordance with the Hawaii~~
16 ~~tourism authority strategic plan for:~~

17
18 ~~(A) The protection, preservation, maintenance, and~~
19 ~~enhancement of natural resources, including beaches, important~~
20 ~~to the visitor industry;~~

21
22 ~~(B) Planning, construction, and repair of facilities;~~
23 ~~and~~

24
25 ~~(C) Operation and maintenance costs of public lands,~~
26 ~~including beaches, connected with enhancing the visitor~~
27 ~~experience.]~~

28
29 All transient accommodations taxes shall be paid into the
30 state treasury each month within ten days after collection and
31 shall be kept by the state director of finance in special
32 accounts for distribution as provided in this subsection.

33
34 As used in this subsection, "fiscal year" means the twelve-
35 month period beginning on July 1 of a calendar year and ending
36 on June 30 of the following calendar year."

37
38 **PART III**

39
40 **SECTION 3.** Section 87A-42, Hawaii Revised Statutes, is
41 amended by amending subsection (d) to read as follows:

42
43 "(d) In any fiscal year subsequent to the 2017-2018 fiscal
44 year in which a county public employer's contributions into the

____.B. NO. _____

1 fund are less than the amount of the annual required
2 contribution, the amount that represents the excess of the
3 annual required contribution over the county public employer's
4 contributions shall be deposited into the fund from a portion of
5 all transient accommodations tax revenues collected by the
6 department of taxation under section [~~237D-6.5(b)(4)~~] 237D-
7 6.5(b)(5). The director of finance shall deduct the amount
8 necessary to meet the county public employer's annual required
9 contribution from the revenues derived under section [~~237D-~~
10 ~~6.5(b)(4)~~] 237D-6.5(b)(5) and transfer the amount to the board
11 for deposit into the appropriate account of the separate trust
12 fund."
13

14 SECTION 4. Section 171-19, Hawaii Revised Statutes, is
15 amended by amending subsection (a) to read as follows:
16

17 "(a) There is created in the department a special fund to
18 be designated as the "special land and development fund".
19 Subject to the Hawaiian Homes Commission Act of 1920, as
20 amended, and section 5(f) of the Admission Act of 1959, all
21 proceeds of sale of public lands, including interest on deferred
22 payments; all moneys collected under section 171-58 for mineral
23 and water rights; all rents from leases, licenses, and permits
24 derived from public lands; all moneys collected from lessees of
25 public lands within industrial parks; all fees, fines, and other
26 administrative charges collected under this chapter and chapter
27 183C; a portion of the highway fuel tax collected under chapter
28 243; all moneys collected by the department for the commercial
29 use of public trails and trail accesses under the jurisdiction
30 of the department; transient accommodations tax revenues
31 collected pursuant to section [~~237D-6.5(b)(5)~~;] 237D-6.5(b)(3);
32 and private contributions for the management, maintenance, and
33 development of trails and accesses shall be set apart in the
34 fund and shall be used only as authorized by the legislature for
35 the following purposes:
36

37 (1) To reimburse the general fund of the State for
38 advances made that are required to be reimbursed from the
39 proceeds derived from sales, leases, licenses, or permits of
40 public lands;
41

42 (2) For the planning, development, management, operations,
43 or maintenance of all lands and improvements under the control
44 and management of the board pursuant to title 12, including but

1 not limited to permanent or temporary staff positions who may be
2 appointed without regard to chapter 76; provided that transient
3 accommodations tax revenues allocated to the fund shall be
4 expended as provided in section [~~237D-6.5(b)(5)~~] 237D-
5 6.5(b)(3);

6
7 (3) To repurchase any land, including improvements, in the
8 exercise by the board of any right of repurchase specifically
9 reserved in any patent, deed, lease, or other documents or as
10 provided by law;

11
12 (4) For the payment of all appraisal fees; provided that
13 all fees reimbursed to the board shall be deposited in the fund;

14
15 (5) For the payment of publication notices as required
16 under this chapter; provided that all or a portion of the
17 expenditures may be charged to the purchaser or lessee of public
18 lands or any interest therein under rules adopted by the board;

19
20 (6) For the management, maintenance, and development of
21 trails and trail accesses under the jurisdiction of the
22 department;

23
24 (7) For the payment to private land developers who have
25 contracted with the board for development of public lands under
26 section 171-60;

27
28 (8) For the payment of debt service on revenue bonds
29 issued by the department, and the establishment of debt service
30 and other reserves deemed necessary by the board;

31
32 (9) To reimburse the general fund for debt service on
33 general obligation bonds issued to finance departmental
34 projects, where the bonds are designated to be reimbursed from
35 the special land and development fund;

36
37 (10) For the protection, planning, management, and
38 regulation of water resources under chapter 174C; and

39
40 (11) For other purposes of this chapter."
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____.B. NO. _____

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PART IV

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, 2017.

INTRODUCED BY: _____

Resolution

No. _____

APPROVING FOR INCLUSION IN THE 2017 HAWAII
STATE ASSOCIATION OF COUNTIES LEGISLATIVE
PACKAGE A STATE BILL TO ALLOW PERSONS WITH
DISABILITIES TO INDICATE ON THEIR
IDENTIFICATION CARDS THEIR DISABILITY

WHEREAS, persons with disabilities have the desire to indicate their disability on their identification cards, such as the State identification card, driver's license, or identification card for persons with disabilities; and

WHEREAS, enactment of State legislation allowing identification cards to indicate a person's disability would allow the person access to certain eligible public services and help identify the disability to public safety personnel in case of emergency; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to allow persons with disabilities to indicate on their identification cards their disability, is approved for inclusion in the 2017 Hawaii State Association of Counties Legislative Package; and
2. That a copy of this resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

A BILL FOR AN ACT

RELATING TO IDENTIFICATION CARDS FOR PERSONS WITH DISABILITIES.

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

1 SECTION 1. This legislature finds that persons with
2 disabilities have the desire to indicate on their identification
3 cards, such as the State of Hawaii identification card, driver's
4 license, or an identification card for persons with
5 disabilities, their disability.

6 Because not all disabilities are outwardly visible, the
7 disclosure of a disability on a driver's license or
8 identification card can assist first responders in determining
9 the best way to treat, assist, or communicate with the person.

10 Having a license or identification card clearly indicating
11 a person's disability will allow the person access to certain
12 services such as special seating on public transit or at public
13 events. The "disabled" notification on the card indicates that
14 a person has a disability and does not take the place of
15 existing public service qualification procedures.

1 To mitigate potential abuse, medical documentation is
2 required to support a person's request for indication of a
3 disability on their identification card.

4 Those who choose to include information about their
5 disability on their driver's license, State identification card,
6 and identification card for persons with disabilities may do so
7 under this Act.

8 SECTION 2. Section 286-2, Hawaii Revised Statutes, is
9 amended by adding new definitions to be appropriately inserted
10 and to read as follows:

11 "Disability" means any physical, mental, or neurological
12 impairment that severely restricts a person's mobility, manual
13 dexterity, or ability to climb stairs; substantial loss of sight
14 or hearing; loss of one or more limbs or use thereof; or
15 significantly diminished reasoning capacity.

16 "Person with disabilities" means any person with a
17 permanent or temporary disability.

18 SECTION 3. Chapter 286, Hawaii Revised Statutes, is amended
19 by adding a new section to part VI to be appropriately
20 designated and to read as follows:

21 "§286- Driver's license for persons with disabilities.

____.B. NO. _____

1 Persons with disabilities may opt to identify their
2 disability on their driver's license upon receipt of the
3 required documentation as stated in this section, from the
4 person requesting its inclusion. The driver's license shall
5 display the "disabled" notation on a location designated by the
6 department."

7 SECTION 4. Section 286-305, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§286-305 **Contents and characteristics; form.** (a) Each
10 identification card issued by the examiner of drivers shall
11 display a distinguishing number assigned to the cardholder, and
12 shall display the following inscription:

13 "STATE OF HAWAII IDENTIFICATION CARD"

14 (b) The examiner of drivers, after obtaining the
15 fingerprint of the applicant as provided in this part and after
16 obtaining the information required by or pursuant to this part,
17 shall issue to each applicant an identification card in a form
18 and with identifying information that the director deems
19 necessary and appropriate, including a notation of veteran
20 status, if desired by the applicant, on the front of the card
21 where applicable; provided that such notation shall not include
22 any designation other than the term "veteran". As used in this

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1 subsection, "veteran" means any person who served in any of the
2 uniformed services of the United States and was discharged under
3 conditions other than dishonorable.

4 (c) The identification card shall not display the
5 cardholder's social security number.

6 (d) The identification card shall be designed to prevent
7 its reproduction or alteration without ready detection.

8 (e) The identification card for individuals under twenty-
9 one years of age shall have characteristics prescribed by the
10 examiner distinguishing it from that issued to [a] an individual
11 who is twenty-one years of age or older.

12 (f) Persons with disabilities may opt to identify their
13 disability on their identification card upon receipt of the
14 required documentation from the person requesting its inclusion.
15 The identification card shall display a notation of disability
16 status, if desired by the applicant, on the front of the card
17 where applicable; except that such notation shall not include
18 any designation other than the term "disabled."

19 SECTION 5. Chapter 286, Hawaii Revised Statutes, is amended
20 by adding a new section to part XVI to be appropriately
21 designated and to read as follows:

1 "§286- Identification card for persons with
2 disabilities. (a) The department shall issue identification
3 cards to persons with disabilities pursuant to section 286-305.

4 (b) The identification card for persons with disabilities
5 shall include characteristics and content pursuant to section
6 286-305. On the reverse side of the identification card shall be
7 a space within which the department shall enter such disability
8 information the applicant may request.

9 (c) The department may include a notation of disability
10 status, if desired by the applicant, on the front and may print
11 the disability information on the reverse on any driver's
12 license or identification card issued pursuant to the provisions
13 of this chapter upon receipt of the required documentation from
14 the person requesting its inclusion.

15 (d) Temporary disabilities. An identification card for
16 persons with a temporary disability shall be issued upon
17 presentation of a sworn affidavit of at least one medical doctor
18 attesting to such disability and estimating the duration of the
19 disability. Identification cards indicating temporary
20 disabilities shall be issued for periods of one year, and a
21 current affidavit of a medical doctor attesting to the

____.B. NO. _____

1 continuance of such disability shall be presented at each
2 request thereafter."

3 SECTION 6. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 7. This Act shall take effect on January 2, 2018.

INTRODUCED BY: _____

paf:mkz:16-151a

Resolution

No. _____

APPROVING FOR INCLUSION IN THE 2017
HAWAII STATE ASSOCIATION OF COUNTIES
LEGISLATIVE PACKAGE A STATE BILL TO
INCREASE REVENUE FOR EACH COUNTY'S
AFFORDABLE HOUSING FUND THROUGH A
ONE PERCENT CONVEYANCE TAX

WHEREAS, the lack of affordable housing in every county in the State is a crisis; and

WHEREAS, each county's affordable housing situation is unique, and solutions and funding are best managed locally; and

WHEREAS, a statewide mechanism to allow each county to increase revenue for its Affordable Housing Fund is needed; now, therefore,

BE IT RESOLVED by the Council of the County of Maui:

1. That the proposed State bill, attached as Exhibit "A," to increase revenue for the counties' affordable housing funds through a one percent conveyance tax on the sale of residential properties over \$1,000,000, is approved for inclusion in the 2017 Hawaii State Association of Counties Legislative Package; and
2. That a certified copy of this resolution be transmitted to the Hawaii State Association of Counties Executive Committee.

A BILL FOR AN ACT

RELATING TO THE CONVEYANCE TAX.

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

1 SECTION 1. Section 247-2, Hawaii Revised Statutes, is
2 amended to read as follows:

3 "§247-2 Basis and rate of tax. The tax imposed by section
4 247-1 shall be based on the actual and full consideration
5 (whether cash or otherwise, including any promise, act,
6 forbearance, property interest, value, gain, advantage, benefit,
7 or profit), paid or to be paid for all transfers or conveyance
8 of realty or any interest therein, that shall include any liens
9 or encumbrances thereon at the time of sale, lease, sublease,
10 assignment, transfer, or conveyance, and shall be at the
11 following rates:

12 (1) Except as provided in paragraph (2):

13 (A) Ten cents per \$100 for properties with a value of
14 less than \$600,000;

15 (B) Twenty cents per \$100 for properties with a value
16 of at least \$600,000, but less than \$1,000,000;

EXHIBIT "A"

.B. NO.

- 1 (C) Thirty cents per \$100 for properties with a value
- 2 of at least \$1,000,000, but less than \$2,000,000;
- 3 (D) Fifty cents per \$100 for properties with a value
- 4 of at least \$2,000,000, but less than \$4,000,000;
- 5 (E) Seventy cents per \$100 for properties with a
- 6 value of at least \$4,000,000, but less than
- 7 \$6,000,000;
- 8 (F) Ninety cents per \$100 for properties with a value
- 9 of at least \$6,000,000, but less than
- 10 \$10,000,000; and
- 11 (G) One dollar per \$100 for properties with a value
- 12 of \$10,000,000 or greater; and
- 13 (2) For the sale of a condominium or single family
- 14 residence for which the purchaser is ineligible for a
- 15 county homeowner's exemption on property tax:
- 16 (A) Fifteen cents per \$100 for properties with a
- 17 value of less than \$600,000;
- 18 (B) Twenty-five cents per \$100 for properties with a
- 19 value of at least \$600,000, but less than
- 20 \$1,000,000;
- 21 (C) Forty cents per \$100 for properties with a value
- 22 of at least \$1,000,000, but less than \$2,000,000;

____.B. NO. _____

1 (D) Sixty cents per \$100 for properties with a value
2 of at least \$2,000,000, but less than \$4,000,000;

3 (E) Eighty-five cents per \$100 for properties with a
4 value of at least \$4,000,000, but less than
5 \$6,000,000;

6 (F) One dollar and ten cents per \$100 for properties
7 with a value of at least \$6,000,000, but less
8 than \$10,000,000; and

9 (G) One dollar and twenty-five cents per \$100 for
10 properties with a value of \$10,000,000 or
11 greater[7]; and

12 (3) In addition to the rate established by paragraph (1)
13 or (2), for the sale of a condominium or single family
14 residence: One dollar per \$100 for properties with a
15 value of more than \$1,000,000,

16 of such actual and full consideration; provided that in the
17 case of a lease or sublease, this chapter shall apply only to a
18 lease or sublease whose full unexpired term is for a period of
19 five years or more, and in those cases, including (where
20 appropriate) those cases where the lease has been extended or
21 amended, the tax in this chapter shall be based on the cash
22 value of the lease rentals discounted to present day value and

1 capitalized at the rate of six per cent, plus the actual and
2 full consideration paid or to be paid for any and all
3 improvements, if any, that shall include on-site as well as off-
4 site improvements, applicable to the leased premises; and
5 provided further that the tax imposed for each transaction shall
6 be not less than \$1."

7 SECTION 2. Section 247-7, Hawaii Revised Statutes, is
8 amended to read as follows:

9 "§247-7 **Disposition of taxes.** All taxes collected under
10 this chapter shall be paid into the state treasury to the credit
11 of the general fund of the State, to be used and expended for
12 the purposes for which the general fund was created and exists
13 by law; provided that of the taxes collected each fiscal year:

14 (1) Ten per cent of the revenue accruing from application
15 of the rates established in paragraph (1) and (2) of
16 section 247-1, or \$6,800,000, whichever is less, shall
17 be paid into the land conservation fund established
18 pursuant to section 173A-5; [~~and~~]

19 (2) Fifty per cent of the revenue accruing from the
20 application of the rates established in paragraph (1)
21 and (2) of section 247-1, or \$38,000,000, whichever is
22 less, shall be paid into the rental housing revolving

____.B. NO. _____

1 fund established by section 201H-202. Tax imposed by
2 section 247-1 shall be based on the actual and full
3 consideration[-]; and

4 (3) One hundred percent of the revenue in each county
5 accruing from the rate established in paragraph (3) of
6 section 247-1 shall be allocated to the county's
7 affordable housing fund."

8 SECTION 3. Statutory material to be deleted is bracketed
9 and in strikethrough. New statutory material is underscored.

10 SECTION 4. This Act shall take effect upon its approval;
11 provided that this Act shall be repealed on June 30, 2022.

INTRODUCED BY: _____