

Resolution

No. 19-211

APPROVING FOR INCLUSION IN THE
2020 MAUI COUNTY LEGISLATIVE PACKAGE
A STATE BILL RELATING TO
TRANSIENT ACCOMMODATIONS TAX

WHEREAS, the revenue generated and allocated to counties from the Transient Accommodations Tax (“TAT”) helps deal with rising costs of visitor-related expenses and increased demands on public service resources such as police, firefighters, parks, and infrastructure; and

WHEREAS, while the State’s TAT revenue has continued to increase, the County’s annual allocation has not kept pace; and

WHEREAS, based upon the recommendations of the State-County Functions Working Group established by Act 174, Session Laws of Hawaii 2014, the allocation of TAT to counties should be amended to consider the distribution of duties and responsibilities for public services between the State and the counties and to recommend a model for the allocation of TAT revenues; now, therefore,

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

1. That the proposed State bill, attached as Exhibit “A,” relating to Transient Accommodations Tax, is approved for inclusion in the 2020 Maui County Legislative Package; and
2. That certified copies of this resolution be transmitted to the Governor of the State of Hawaii, the President of the State Senate, the Speaker of the State House of Representatives, the County’s delegation to the State Legislature, and the Mayor of the County of Maui.

REVISED:
1ST DRAFT DATE:

___B. NO. ___

A BILL FOR AN ACT

RELATING TO 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 to read as follows:

3 "§237D-6.5 Remittances; distribution to counties. (a) All
4 remittances of taxes imposed under this chapter shall be made by
5 cash, bank drafts, cashier's check, money order, or certificate
6 of deposit to the office of the taxation district to which the
7 return was transmitted.

8 (b) Except for the revenues collected pursuant to section
9 237D-2(e), revenues collected under this chapter shall be
10 distributed in the following priority, with the excess revenues
11 to be deposited into the general fund:

12 (1) \$1,500,000 shall be allocated to the Turtle Bay
13 conservation easement special fund beginning July 1,
14 2015, for the reimbursement to the state general fund
15 of debt service on reimbursable general obligation
16 bonds, including ongoing expenses related to the
17 issuance of the bonds, the proceeds of which were used
18 to acquire the conservation easement and other real

XXX-00(12)

EXHIBIT "A"

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1 property interests in Turtle Bay, Oahu, for the
2 protection, preservation, and enhancement of natural
3 resources important to the State, until the bonds are
4 fully amortized;

5 (2) \$16,500,000 shall be allocated to the convention
6 center enterprise special fund established under
7 section 201B-8;

8 (3) \$79,000,000 shall be allocated to the tourism special
9 fund established under section 201B-11; provided that:

10 (A) ~~[Beginning on July 1, 2012, and ending on June~~
11 ~~30, 2015, \$2,000,000 shall be expended from the~~
12 ~~tourism special fund for development and~~
13 ~~implementation of initiatives to take advantage~~
14 ~~of expanded visa programs and increased travel~~
15 ~~opportunities for international visitors to~~
16 ~~Hawaii.~~

17 ~~(B)~~ Of the \$79,000,000 allocated:

18 (i) \$1,000,000 shall be allocated for the
19 operation of a Hawaiian center and the
20 museum of Hawaiian music and dance; and

21 (ii) 0.5 per cent of the \$79,000,000 shall be
22 transferred to a sub-account in the tourism

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

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

13 (B) Except for the revenues collected pursuant to
14 section 237D-2(e), of the total revenues
15 collected under this chapter, 3.5 per cent shall
16 be distributed to the counties and allocated
17 pursuant to section 237D-6.5(b)(4)(A), for the
18 maintenance and repair of parks and recreation
19 facilities;

20 (5) \$3,000,000 shall be allocated to the special land and
21 development fund established under section 171-19;
22 provided that the allocation shall be expended in

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1 accordance with the Hawaii tourism authority strategic
2 plan for:

- 3 (A) The protection, preservation, maintenance, and
4 enhancement of natural resources, including
5 beaches, important to the visitor industry;
6 (B) Planning, construction, and repair of facilities;
7 and
8 (C) Operation and maintenance costs of public lands,
9 including beaches, connected with enhancing the
10 visitor experience.

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

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

18 (c) On or before January or July 1 of each year or after
19 the disposition of any tax appeal with respect to an assessment
20 for periods after June 30, 1990, the state director of finance
21 shall compute and pay the amount due as provided in subsection
22 (b) to the director of finance of each county to become a

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1 general realization of the county expendable as such, except as
2 otherwise provided by law."

3 SECTION 2. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 3. This Act shall effect July 1, 2020.

6 INTRODUCED BY: _____

7 BY REQUEST

8

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Report Title:

Transient Accommodations Tax; allocations.

Description:

Amends the allocation of transient accommodations tax revenues based upon the recommendations of the State-County Functions Working Group established by Act 174, Session Laws of Hawaii 2014, to consider the distribution of duties and responsibilities for public services between the State and the counties and to recommend a model for the allocation of TAT revenues.

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


COUNCIL OF THE COUNTY OF MAUI

WAILUKU, HAWAII 96793

CERTIFICATION OF ADOPTION

It is HEREBY CERTIFIED that RESOLUTION NO. 19-211 was adopted by the Council of the County of Maui, State of Hawaii, on the 20th day of December, 2019, by the following vote:

MEMBERS	Kelly T. KING Chair	Keani N. W. RAWLINS-FERNANDEZ Vice-Chair	G. Riki HOKAMA	Natalie A. KAMA	Alice L. LEE	Michael J. MOLINA	Tamara A. M. PALTIN	Shane M. SINENCI	Yuki Lei K. SUGIMURA
ROLL CALL	Aye	Aye	Aye	Aye	Aye	Aye	Aye	Aye	Aye



COUNTY CLERK