

October 18, 2018

MEMO TO: PEA-4(2) File

F R O M: Yuki Lei Sugimura, Chair
Policy, Economic Development, and Agriculture Committee

Yuki Lei K. Sugimura

SUBJECT: **TRANSMITTAL OF LEGISLATIVE PROPOSAL RELATING TO
2019 MAUI COUNTY LEGISLATIVE PACKAGE** (PEA-4(2))

The attached revised legislative proposal pertains to Item 4(2) on the Committee's agenda.

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Attachment

OFFICE OF THE
COUNTY COUNCIL

2018 OCT 18 PM 2:41

RECEIVED

A BILL FOR AN ACT

RELATING TO TAXATION

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) Except for the revenues collected pursuant to section
4 237D-2(e), revenues collected under this chapter shall be
5 distributed in the following priority, with the excess revenues
6 to be deposited into the general fund:

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

.B. NO.

- 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
21 and security budget, in accordance with the
22 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
3 provided in this paragraph and except for any sum
4 authorized by the legislature for expenditure
5 from revenues subject to this paragraph,
6 beginning July 1, 2007, funds shall be deposited
7 into the tourism emergency special fund,
8 established in section 201B-10, in a manner
9 sufficient to maintain a fund balance of
10 \$5,000,000 in the tourism emergency special fund;
11 (4) \$103,000,000 shall be allocated as follows: Kauai
12 county shall receive 14.5 per cent, Hawaii county
13 shall receive 18.6 per cent, city and county of
14 Honolulu shall receive 44.1 per cent, and Maui county
15 shall receive 22.8 per cent; provided that commencing
16 with fiscal year 2018-2019, a sum that represents the
17 difference between a county public employer's annual
18 required contribution for the separate trust fund
19 established under section 87A-42 and the amount of the
20 county public employer's contributions into that trust
21 fund shall be retained by the state director of
22 finance and deposited to the credit of the county

.B. NO.

1 public employer's annual required contribution into
2 that trust fund in each fiscal year, as provided in
3 section 87A-42, if the respective county fails to
4 remit the total amount of the county's required annual
5 contributions, as required under section 87A-43; [~~and~~]
6 (5) \$3,000,000 shall be allocated to the special land and
7 development fund established under section 171-19;
8 provided that the allocation shall be expended in
9 accordance with the Hawaii tourism authority strategic
10 plan for:
11 (A) The protection, preservation, maintenance, and
12 enhancement of natural resources, including
13 beaches, important to the visitor industry;
14 (B) Planning, construction, and repair of facilities;
15 and
16 (C) Operation and maintenance costs of public lands,
17 including beaches, connected with enhancing the
18 visitor experience[-]; and
19 (6) Beginning July 1, 2018, and ending December 31, 2030,
20 in addition to any amounts allocated pursuant to
21 paragraph (4), the following amounts shall be
22 allocated to the counties of Kauai, Hawaii, and Maui:

.B. NO.

- 1 (A) The county of Kauai shall receive \$9,425,000;
- 2 (B) The county of Hawaii shall receive \$12,090,000;
- 3 and
- 4 (C) The county of Maui shall receive \$14,820,000.

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

12 SECTION 2. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 3. This Act shall take effect upon its approval;
15 provided that this Act shall be repealed on December 31, 2030,
16 and section 237D-6.5(b), Hawaii Revised Statutes, shall be
17 reenacted in the form in which it read on the day prior to the
18 effective date of this Act.