SUMMARY OF PROPOSED COMMITTEE DRAFT:

BILL 44 (2026)
RELATING TO REVENUES AND FUNDS.

The PROPOSED CD1 makes the following amendments:

A. In SECTION 2 of the bill:

1. Amends ROH Section 8A-1.1(1) to increase the specified percentage allocation of all transient accommodations taxes collected from 41.66 percent to 50 percent to be deposited into the General Fund.

2. Removes ROH Section 8A-1.1(3) in its entirety.

B. Removes SECTION 3 of the bill. Renumbers subsequent SECTIONS accordingly.

C. In renumbered SECTION 4 of the bill, amends the effective date to July 1, 2027.

D. Makes miscellaneous technical and nonsubstantive amendments.

HONOLULU CITY COUNCIL

KE KANIHELA O KE KALANA O HONOLULU

CITY AND COUNTY OF HONOLULU

ORDINANCE _____

BILL **44 (2026), CD1**

PROPOSED

A BILL FOR AN ORDINANCE

RELATING TO REVENUES AND FUNDS.

BE IT ORDAINED by the People of the City and County of Honolulu:

SECTION 1. Purpose. The purpose of this ordinance is to address certain provisions relating to revenues and funds, including the disposition of transient accommodations taxes for the City and County of Honolulu.

SECTION 2. Section 8A-1.1, Revised Ordinances of Honolulu 2021, is amended to read as follows.

"**§ 8A-1.1 Establishment of transient accommodations tax and disposition.**

Pursuant to HRS §§ 46-20.7 and 237D-2.5, there is hereby established a 3 percent transient accommodations tax on all gross rental, gross rental proceeds, and fair market rental value that is taxable under HRS Chapter 237D on property in the city, which will be levied and collected by the director of budget and fiscal services; provided that [~~all moneys collected under this chapter must be deposited as follows~~]:

(1) [~~Into the general fund as follows:~~

~~(A) For two years commencing on December 14, 2021, 58.33 percent of all transient accommodations taxes collected pursuant to this chapter; and~~

~~(B) Beginning two years after December 14, 2021 and thereafter~~, ~~41.66~~] Fifty percent of all transient accommodations taxes collected pursuant to this chapter[~~;~~] will be deposited into the general fund; and

(2) [~~Into the transit fund as follows:~~

[~~(A) For two years commencing on December 14, 2021, 33.33 percent of all transient accommodations taxes collected pursuant to this chapter; and~~

~~(B) Beginning two years after December 14, 2021 and thereafter, 50~~] Fifty percent of all transient accommodations taxes collected pursuant to this chapter[~~; and~~] will be deposited into the transit fund.

A BILL FOR AN ORDINANCE

[~~(3) Into a special account in the general fund to be appropriately named by the department of budget and fiscal services, 8.34 percent of all transient accommodations taxes collected pursuant to this chapter; provided that the funds in the special account must:~~

~~(A) Be used to mitigate the impacts of visitors on public facilities and natural resources, including the restoration, operations, and maintenance of beaches and parks; and~~

~~(B) Supplement, and not supplant, any funds regularly appropriated for the purposes specified in paragraph (A).~~]"

SECTION 3. Ordinance material to be repealed is bracketed and stricken. New material is underscored. When revising, compiling, or printing this ordinance for inclusion in the Revised Ordinances of Honolulu, the Revisor of Ordinances need not include the brackets, the material that has been bracketed and stricken, or the underscoring.

A BILL FOR AN ORDINANCE

SECTION 4. This ordinance takes effect on July 1, 2027.

INTRODUCED BY:

Esther Kiaʻāina

DATE OF INTRODUCTION:

June 30, 2026
Honolulu, Hawaiʻi

Councilmembers

APPROVED AS TO FORM AND LEGALITY:

Deputy Corporation Counsel

APPROVED this _____day of _____, 20 ___ .

RICK BLANGIARDI, Mayor
City and County of Honolulu

Report Title:
Transient Accommodations Tax ("TAT"); Disposition of Revenues; Funds; Department of Budget and Fiscal Services ("BFS")

Description:
Increases the percentage of TAT revenues to be deposited into General Fund by removing the provision that a certain percentage of TAT revenues be deposited into a special account for visitor impact mitigation. Takes effect on July 1, 2027.

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