

Honolulu, Hawaii

March 24, 2006

RE: S.B. No. 2961  
S.D. 1  
H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 2961, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this bill is to discourage smoking especially by young people by increasing the tax on cigarettes. This bill also allocates funds to effective sources in the prevention and treatment of cancer caused by smoking such as:

- (1) The Cancer Research Center of Hawaii
- (2) Health promotion and disease prevention programs administered by the Department of Health (DOH); and
- (3) The Hawaii Tobacco Prevention and Control Trust Fund.

The University of Hawaii (UH), Cancer Research Center of Hawaii, DOH, Office of Hawaiian Affairs, Hawaii Community Development Authority, Hawaii Primary Care Association, American Lung Association of Hawaii, Hawaii Dental Association, American Heart Association of Hawaii, Hawaii Biotech, Inc., Hawaii Science and Technology Council, Hawaii Public Health Association, and numerous concerned individuals supported this bill. The High Technology Innovation Corporation supported the intent of this



measure. A concerned individual opposed this bill. The Tax Foundation of Hawaii provided comments.

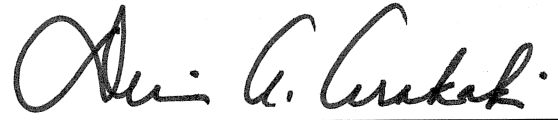
Your Committee has amended this bill by, among other things:

- (1) Deleting the specific excise tax amounts being incrementally increased from 2007 to 2009;
- (2) Changing the percentages of cigarette tax revenues to be allocated to programs to unspecified percentages;
- (3) Deleting the designation of cigarette tax revenues to:
  - (A) The Cancer Research Center of Hawaii;
  - (B) DOH health promotion and disease prevention programs; and
  - (C) The Hawaii Tobacco Prevention and Control Trust Fund;
- (4) Designating cigarette tax revenues to support:
  - (A) UH's John A. Burns School of Medicine;
  - (B) Emergency medical services statewide;
  - (C) The state's trauma care resources; and
  - (D) Community health centers;and
- (5) Making technical, nonsubstantive changes for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2961, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2961, S.D. 1, H.D. 1, and be referred to the Committee on Finance.



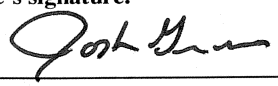
Respectfully submitted on  
behalf of the members of the  
Committee on Health,



DENNIS A. ARAKAKI, Chair



Record of Votes of the Committee on Health

Bill/Resolution No.: SB 2961 SD1 <del>H111</del>		Date: 03/23/06		
Committee Referral: HLT, FIN		<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.		
The recommendation is to:				
<input type="checkbox"/> Pass, unamended		<input checked="" type="checkbox"/> Pass, with amendments		
<input type="checkbox"/> Hold		<input type="checkbox"/> Pass, with amendments, for recommitment for further consideration		
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. ARAKAKI, Dennis A. (C)	✓			
2. GREEN, Josh, M.D. (VC)	✓			
3. CABANILLA, Rida T.R.	✓			
4. HALE, Heléne H.	✓			
5. NISHIMOTO, Scott Y.	✓			
6. SONSON, Alex M.		✓		
7. HALFORD, Chris	✓			
<b>TOTAL</b>	<b>6</b>	<b>1</b>	<b>0</b>	<b>0</b>
The recommendation is:				
<input checked="" type="checkbox"/> Adopted		<input type="checkbox"/> Not Adopted		
If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Clerk's Office				