

STAND. COM. REP. NO.

**2206**

Honolulu, Hawaii

**Feb. 16**, 2006

RE: S.B. No. 2961

Honorable Robert Bunda  
President of the Senate  
Twenty-Third State Legislature  
Regular Session of 2006  
State of Hawaii

Sir:

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

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to discourage smoking, especially by young people, by increasing the tax on cigarettes, and to allocate funds to effective sources in the prevention and treatment of cancer caused by smoking.

Your Committee received testimony in support of this measure from American Lung Association, American Heart Association, American Cancer Society, Healthcare Association of Hawaii, Hawaii Science and Technology Council, Hawaii Medical Service Association, Hawaii Health Systems Corporation, Coalition for a Tobacco Free Hawaii, High Technology Development Corporation, The Pacific Resource Partnership, Bendet, Fidell, Sakai & Lee, L.C., and eighteen individuals. Your Committees received testimony in opposition to the measure from the Department of Taxation and the Tax Foundation of Hawaii.

Your Committee finds that tobacco use is responsible for over one thousand one hundred deaths per year in Hawaii and costs the State over \$525,000,000 in health care and other associated costs per year. Smoking is the largest preventable cause of morbidity and mortality in the nation.

Your Committee further finds that increasing the tax on cigarettes is the most effective deterrent to smoking, especially

2006-1251 SSCR SMA-2.doc



for young people, and an incentive for users to quit. Dedicating fifty per cent of the increase in the cigarette tax to the Cancer Research Center of Hawaii will provide the funding necessary to enable the Center to expand into a state-of-the-art comprehensive cancer research and treatment center. Additionally, an expanded center will allow Hawaii residents access to an array of cancer treatments and the opportunity to participate in early phase clinical trials here in Hawaii. At present, Hawaii residents must travel to the mainland at significant expense to receive such services. Further dedicated funding to the Center will help ensure retention of its prestigious National Cancer Institute designation.

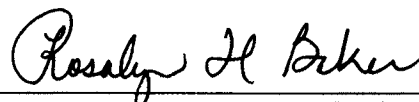
Your Committee further finds that this is an appropriate use of these revenues, as cancer is a disease often caused by smoking.

Additionally, your Committee finds that earmarking twenty-five percent of the increase to the Department of Health for promotion and disease prevention programs and twenty-five percent to the Hawaii Tobacco Prevention and Control trust fund will advance the State's initiatives for a healthier Hawaii, including assistance to help smokers quit.

Finally, your Committee notes that although the charge on cigarettes is called a tax, the charge is appropriately characterized as a user fee since paying the fee can be avoided. People can choose not to pay the increased fee by choosing not to smoke.

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 and recommends that it pass Second Reading and be referred to the Committee on Ways and Means.

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



ROSALYN H. BAKER, Chair



