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## A BILL FOR AN ACT

RELATING TO STATE FINANCES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the State is  
2 undergoing a significant and possibly protracted economic  
3 downturn in tandem with the national and global economic and  
4 financial crises. Numerous jobs have been lost, a number of  
5 large and small companies have declared bankruptcy or left the  
6 State, and many families have suffered foreclosure on their  
7 over-mortgaged houses. In the past year, the council on  
8 revenues has consistently reduced its forecasts of Hawaii's tax  
9 revenues. Across-the-board spending restrictions have already  
10 been put in place in state government and a general hiring  
11 freeze has already been implemented except in areas that impact  
12 public health and safety.

13           In the face of these extraordinary conditions, the State  
14 cannot proceed with business as usual. All resources must be  
15 examined to address critical statewide health, safety, and  
16 educational needs.

17           Accordingly, the purpose of this Act is to generate  
18 additional general funds to ensure the delivery of critical



1 services statewide by retaining in the state general fund  
2 portions of the tobacco tax revenues collected under chapter  
3 245, Hawaii Revised Statutes, by permanently:

4 (1) Repealing the distribution of a portion of the tobacco  
5 tax revenues into the emergency medical services  
6 special fund established pursuant to section 321-234,  
7 Hawaii Revised Statutes, beginning on July 1, 2009;  
8 and

9 (2) Reducing the distribution of portions of the tobacco  
10 tax revenues into the Hawaii cancer research special  
11 fund established pursuant to section 304A-2168, Hawaii  
12 Revised Statutes, and into the trauma system special  
13 fund established pursuant to section 321-22.5, Hawaii  
14 Revised Statutes.

15 SECTION 2. Section 245-15, Hawaii Revised Statutes, is  
16 amended to read as follows:

17 **"§245-15 Disposition of revenues.** All moneys collected  
18 pursuant to this chapter shall be paid into the state treasury  
19 as state realizations to be kept and accounted for as provided  
20 by law; provided that, of the moneys collected under the tax  
21 imposed pursuant to:



1           (1) Section 245-3(a)(5), after September 30, 2006, and  
2           prior to October 1, 2007, 1.0 cent per cigarette shall  
3           be deposited to the credit of the Hawaii cancer  
4           research special fund, established pursuant to section  
5           304A-2168, for research and operating expenses and for  
6           capital expenditures;

7           (2) Section 245-3(a)(6), after September 30, 2007, and  
8           prior to October 1, 2008:

9           (A) 1.5 cents per cigarette shall be deposited to the  
10           credit of the Hawaii cancer research special  
11           fund, established pursuant to section 304A-2168,  
12           for research and operating expenses and for  
13           capital expenditures;

14           (B) 0.25 cents per cigarette shall be deposited to  
15           the credit of the trauma system special fund  
16           established pursuant to section 321-22.5; and

17           (C) 0.25 cents per cigarette shall be deposited to  
18           the credit of the emergency medical services  
19           special fund established pursuant to section  
20           321-234;



1 (3) Section 245-3(a)(7), except for subparagraph (D),  
2 after September 30, 2008, and prior to October 1,  
3 2009:

4 (A) 2.0 cents per cigarette shall be deposited to the  
5 credit of the Hawaii cancer research special  
6 fund, established pursuant to section 304A-2168,  
7 for research and operating expenses and for  
8 capital expenditures;

9 (B) 0.5 cents per cigarette shall be deposited to the  
10 credit of the trauma system special fund  
11 established pursuant to section 321-22.5;

12 (C) 0.25 cents per cigarette shall be deposited to  
13 the credit of the community health centers  
14 special fund; and

15 (D) And only until June 30, 2009, 0.25 cents per  
16 cigarette shall be deposited to the credit of the  
17 emergency medical services special fund  
18 established pursuant to section 321-234;

19 (4) Section 245-3(a)(8), after September 30, 2009, and  
20 prior to October 1, 2010:

21 (A) [~~2.0~~] 1.5 cents per cigarette shall be deposited  
22 to the credit of the Hawaii cancer research



1 special fund, established pursuant to section  
2 304A-2168, for research and operating expenses  
3 and for capital expenditures;

4 (B) [~~0.75~~] 0.25 cents per cigarette shall be  
5 deposited to the credit of the trauma system  
6 special fund established pursuant to section  
7 321-22.5; and

8 (C) 0.75 cents per cigarette shall be deposited to  
9 the credit of the community health centers  
10 special fund; [~~and~~

11 ~~(D) 0.5 cents per cigarette shall be deposited to the~~  
12 ~~credit of the emergency medical services special~~  
13 ~~fund established pursuant to section 321-234;]~~

14 (5) Section 245-3(a)(9), after September 30, 2010, and  
15 prior to October 1, 2011:

16 (A) [~~2.0~~] 1.5 cents per cigarette shall be deposited  
17 to the credit of the Hawaii cancer research  
18 special fund, established pursuant to section  
19 304A-2168, for research and operating expenses  
20 and for capital expenditures;

21 (B) [~~1.0-cent~~] 0.5 cents per cigarette shall be  
22 deposited to the credit of the trauma system



1 special fund established pursuant to section 321-  
2 22.5; and

3 (C) 1.0 cent per cigarette shall be deposited to the  
4 credit of the community health centers special  
5 fund; [~~and~~

6 ~~(D) 1.0 cent per cigarette shall be deposited to the~~  
7 ~~credit of the emergency medical services special~~  
8 ~~fund established pursuant to section 321-234;]~~

9 and

10 (6) Section 245-3(a)(10), after September 30, 2011, and  
11 thereafter:

12 (A) [~~2.0~~] 1.5 cents per cigarette shall be deposited  
13 to the credit of the Hawaii cancer research  
14 special fund, established pursuant to section  
15 304A-2168, for research and operating expenses  
16 and for capital expenditures;

17 (B) [~~1.5 cents~~] 1.0 cent per cigarette shall be  
18 deposited to the credit of the trauma system  
19 special fund established pursuant to section 321-  
20 22.5; and



1 (C) 1.25 cents per cigarette shall be deposited to  
2 the credit of the community health centers  
3 special fund[ ~~and~~

4 ~~(D) 1.25 cents per cigarette shall be deposited to~~  
5 ~~the credit of the emergency medical services~~  
6 ~~special fund established pursuant to section 321-~~  
7 ~~234].~~

8 The department shall provide an annual accounting of these  
9 dispositions to the legislature."

10 SECTION 3. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12 SECTION 4. This Act shall take effect upon its approval  
13 and be repealed on June 30, 2015.

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INTRODUCED BY: Calvin K. Boy  
JAN 28 2009

**Report Title:**

Cancer Research Center of Hawaii; General Fund; Tobacco Tax Revenue Distribution; Emergency Medical Service

**Description:**

Transfers temporarily until 06/30/2015 by reduction or deletion of certain earmarked amounts from the cigarette tax back to the state general fund.

