
A BILL FOR AN ACT

RELATING TO USE OF TOBACCO SETTLEMENT FUNDS.

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

1 SECTION 1. To enable the John A. Burns school of medicine
2 to continue to operate and graduate new physicians, funding from
3 the tobacco settlement needs to continue. Act 264, Session Laws
4 of Hawaii 2007, contains a sunset date that will eliminate the
5 ability of the John A. Burns school of medicine to continue
6 receiving these funds.

7 The purpose of this Act is to continue the funding to the
8 John A. Burns school of medicine until 2015.

9 SECTION 2. Act 264, Session Laws Hawaii 2007, as amended
10 by section 22 of Act 16, Session Laws of Hawaii 2008, is amended
11 by amending section 4 to read as follows:

12 "SECTION 4. This Act shall take effect on July 1, 2007, and
13 shall be repealed on June 30, [~~2011~~] 2015; provided that
14 section 328L-2, Hawaii Revised Statutes, shall be reenacted in
15 the form in which it read on the day before the effective date
16 of this Act."

17 SECTION 3. Section 328L-2, Hawaii Revised Statutes, is
18 amended to read as follows:



1 "§328L-2 Hawaii tobacco settlement special fund. (a)

2 There is established in the state treasury the Hawaii tobacco
3 settlement special fund into which shall be deposited:

4 (1) All tobacco settlement moneys; and

5 (2) All interest and earnings accruing from the investment
6 of moneys in the fund;

7 provided that of all tobacco settlement moneys received by the
8 State each fiscal year, the sum representing the first \$350,000
9 of those moneys shall first be deposited in the state treasury
10 in each fiscal year to the credit of the tobacco enforcement
11 special fund. The Hawaii tobacco settlement special fund shall
12 be administered by the department.

13 (b) The fund shall be used for the purpose of receiving,
14 allocating, and appropriating the tobacco settlement moneys as
15 follows:

16 (1) [~~Fifteen~~] Twenty-four and one-half per cent shall be
17 appropriated into the emergency and budget reserve
18 fund under section 328L-3;

19 (2) [~~Twenty-five~~] Thirty-five per cent shall be
20 appropriated to the department for purposes of section
21 328L-4;



- 1 (3) [~~Six~~] Twelve and one-half per cent shall be
2 appropriated into the Hawaii tobacco prevention and
3 control trust fund under section 328L-5; and
- 4 (4) Twenty-eight per cent shall be appropriated into the
5 university revenue-undertakings fund created in
6 section 304A-2167.5 to be applied to the payment of
7 the principal of and interest on, and to generate
8 required coverage, if any, for, revenue bonds issued
9 by the board of regents of the University of Hawaii to
10 finance the cost of construction of a university
11 health and wellness center, including a new medical
12 school facility, to be situated on the island of Oahu,
13 for the succeeding fiscal year; and the payment of
14 annual operating expenses incurred by the new medical
15 school facility; provided that any moneys in excess of
16 the amounts required under this paragraph shall be
17 transferred in the succeeding fiscal year [~~to~~] as
18 follows:
- 19 (A) Eighty per cent of the excess amount shall be
20 transferred to the emergency and budget reserve
21 fund under section 328L-3; and



1 (B) Twenty per cent of the excess amount shall be
2 transferred to the Hawaii tobacco prevention and
3 control trust fund under section 328L-5.

4 ~~[(5) Twenty-five and one-half per cent shall be deposited~~
5 ~~to the credit of the state general fund.]~~

6 (c) The University of Hawaii shall submit to the
7 legislature a report on the status of all debts to which the
8 funds of the Hawaii tobacco settlement trust fund are being
9 applied. The report shall be submitted annually through 2015
10 and shall be due no later than thirty days prior to the
11 convening of each regular session."

12 SECTION 4. Statutory material to be repealed is bracketed
13 and stricken. New statutory material is underscored.

14 SECTION 5. This Act shall take effect on July 1, 2055;
15 provided that upon the repeal and reenactment of section 328L-2,
16 Hawaii Revised Statutes, pursuant to section 6 of Act 119,
17 Session Laws of Hawaii 2009, the amendments made to section
18 328L-2(b), Hawaii Revised Statutes, in section 3 of this Act
19 shall be repealed.



Report Title:

Tobacco Fund Settlement Continued for UH Medical School

Description:

Extends sunset date in Act 264, relating to tobacco fund settlement, for continued use by John A. Burns School of Medicine. Requires annual reporting by the University of Hawaii. Reallocates moneys in the Hawaii tobacco settlement special fund. (SD2)

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