

STAND. COM. REP. NO. 760

Honolulu, Hawaii

March 6, 2009

RE: H.B. No. 1731

H.D. 1

Honorable Calvin K.Y. Say  
Speaker, House of Representatives  
Twenty-Fifth State Legislature  
Regular Session of 2009  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 1731 entitled:

"A BILL FOR AN ACT RELATING TO THE HAWAII TOBACCO SETTLEMENT SPECIAL FUND,"

begs leave to report as follows:

The purpose of this bill is to generate additional general funds to ensure the delivery of services statewide by reallocating the distribution of moneys from the Hawaii Tobacco Settlement Special Fund (Tobacco Fund), including depositing a portion of those moneys into the general fund.

The Department of Budget and Finance, the Hawaii Government Employees Association, and several concerned individuals testified in support of this bill. Your Committee received testimony in opposition to this bill from hundreds of individuals and organizations. The Department of Health (DOH) and Tax Foundation of Hawaii submitted comments.

Your Committee has amended this bill by reallocating the distribution of moneys from the Tobacco Fund as follows:

- (1) 24.5 percent to the Emergency and Budget Reserve Fund;
- (2) 25 percent to the DOH for the Children's Health Insurance Program and for health promotion and disease prevention programs;

HB1731 HD1 HSCR FIN HMS 2009-2852



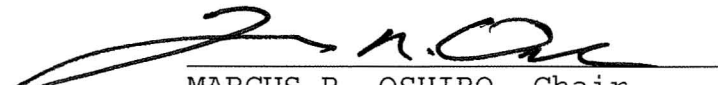
- (3) 2 percent to the Hawaii Tobacco Prevention and Control Trust Fund;
- (4) 23.5 percent to the University Revenue-Undertakings Fund; and
- (5) 25 percent to the general fund.

Your Committee also amended this bill by:

- (1) Changing the effective date to July 1, 2009;
- (2) Changing the sunset date to June 30, 2011; and
- (3) Making technical, nonsubstantive amendments for style, clarity, consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1731, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1731, H.D. 1, and be placed on the calendar for Third Reading.

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



MARCUS R. OSHIRO, Chair



