

STAND. COM. REP. NO.

2784

Honolulu, Hawaii

MAR 19 2010

RE: H.B. No. 2092
H.D. 1
S.D. 1

Honorable Colleen Hanabusa
President of the Senate
Twenty-Fifth State Legislature
Regular Session of 2010
State of Hawaii

Madam:

Your Committees on Commerce and Consumer Protection and Public Safety and Military Affairs, to which was referred H.B. No. 2092, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO PUBLIC SAFETY,"

beg leave to report as follows:

The purpose of this measure is to establish the Reduced Ignition Propensity Cigarettes Program Special Fund and to authorize the establishment of staff positions for the State Fire Council in order for the Council to accomplish its duties and responsibilities stemming from the reduced ignition propensity cigarettes law already in effect.

Your Committees received testimony in support of this measure from the Coalition for a Tobacco-Free Hawaii. Testimony in opposition to this measure was submitted by the Department of Budget and Finance. Your Committees received testimony in support of the intent of this measure with amendments from the State Fire Council, the Honolulu Fire Department, the County of Hawaii Fire Department, and the County of Maui Department of Fire and Public Safety. Written testimony presented to the Committees may be reviewed on the Legislature's website.

Your Committees find that establishing the Reduced Ignition Propensity Cigarettes Program Special Fund will help to ensure thorough and appropriate implementation and enforcement of the



reduced ignition propensity cigarettes law by the State Fire Council.

Since September 2009, a total of \$259,500 has been collected for the State Fire Council's use. These moneys are used to fund the various administrative functions of the State Fire Council. These functions include adopting administrative rules for program implementation, establishing compliance inspections, approving forms and enforcement procedures and guidelines, receiving, verifying, and approving certification for approximately six hundred different brands of cigarettes, compiling a list of the approved brands and confirming it with the Department of the Attorney General for state tax stamp compliance, posting the list of approved brands on a state website, reviewing and approving any alternative test methods or fire standard compliance markings submitted by a cigarette manufacturer, and submitting compliance tests to an accredited lab to verify that performance standards have been met. Currently, the State Fire Council has only one part time staff employee who is tasked with not only the administrative workload from the reduced ignition propensity cigarette law but with other State Fire Council responsibilities as well. The \$259,000 collected in fees to date, averaging out to \$86,000 collected per year, would be sufficient to cover the salary and benefits for one full time staff member to attend to the workload stemming from the reduced ignition propensity cigarette law, as summarized above.

As received by your Committees, this measure requires unencumbered and unexpended moneys in the Reduced Ignition Propensity Cigarettes Program Special Fund to lapse to the general fund on a yearly basis. However, the fees financing the fund are only collected every three years. Accordingly, if lapsing occurs on a yearly basis, during the second and third years of the three year funding cycle, the fund will not have sufficient capital to cover operational costs and to continue paying the salary and benefits of the full time workers needed to carry out the fund's administrative functions.

Therefore, your Committees have amended this measure by:

- (1) Requiring Reduced Ignition Propensity Cigarettes Program Special Fund moneys to lapse to the general fund at the close of June 30 every third year, starting June 30, 2013, as opposed to every year;



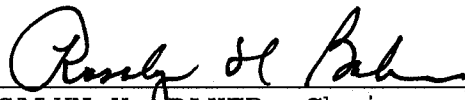
- (2) Exempting \$150,000 from lapsing from the Reduced Ignition Propensity Cigarettes Program Special Fund to the general fund to ensure coverage of operational costs until the Special Fund is re-funded;
- (3) Appropriating \$150,000 for fiscal year 2010-2011 for the positions established by this measure; and
- (4) Making technical, nonsubstantive changes for the purpose of clarity and accuracy.

As affirmed by the records of votes of the members of your Committees on Commerce and Consumer Protection and Public Safety and Military Affairs that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2092, H.D. 1, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2092, H.D. 1, S.D. 1, and be referred to the Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Commerce and
Consumer Protection and Public
Safety and Military Affairs,



WILL ESPERO, Chair

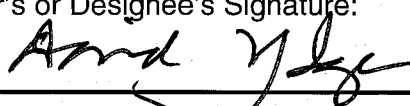


ROSALYN H. BAKER, Chair



The Senate
 Twenty-Fifth Legislature
 State of Hawaii

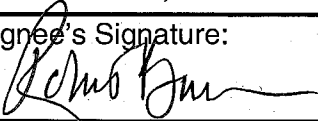
Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:* HD 2092 HD1	Committee Referral: CPN/PSM, WAM	Date: 3/11/2010		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
IGE, David Y. (VC)	✓			
ESPERO, Will	✓			
GREEN, M.D., Josh	✓			
IHARA, Jr., Les				✓
SAKAMOTO, Norman				✓
HEMMINGS, Fred				✓
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes

The Senate
Twenty-Fifth Legislature
State of Hawaii

Record of Votes
Committee on Public Safety and Military Affairs
PSM

Bill / Resolution No.:* HB 2092 HD1	Committee Referral: CPN/PSM, WAM	Date: 3/11/10		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
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Members	Aye	Aye (WR)	Nay	Excused
ESPERO, Will (C)	X			
BUNDA, Robert (VC)	X			
ENGLISH, J. Kalani				X
GABBARD, Mike				X
GALUTERIA, Brickwood	X			
KIDANI, Michelle N.	X			
HEMMINGS, Fred				X
TOTAL	4			3
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
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