

Honolulu, Hawaii

FEB 18 2011

RE: S.B. No. 1289  
S.D. 1

Honorable Shan S. Tsutsui  
President of the Senate  
Twenty-Sixth State Legislature  
Regular Session of 2011  
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 1289  
entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose and intent of this measure is to increase the liquor tax and assess the new Sugary Beverage Healthy Hawaii Fee to encourage Hawaii residents to make healthy decisions relating to the consumption of liquid beverages that are proven to be harmful to human health.

Your Committee received testimony in support of this measure from the Department of Health, the Department of Taxation, American Heart Association, Hawai'i Primary Care Association, Healthy Mothers Healthy Babies Coalition of Hawaii, and one private citizen. Your Committee received testimony in opposition to this measure from the Hawaii Restaurant Association; Hawaii Sun Products, Inc.; Hawaii Food Industry Association; Waialua Soda Works; Ball Corporation; Hawaii Box and Packaging, Inc.; Business Diagnostics; Hawaii Packaging; Wine Institute; Coca-Cola Bottling Company of Hawaii; American Beverage Association; The FRS Company; Maui Hotel and Lodging Association; Hawaii Liquor Wholesalers Association; Distilled Spirits Council of the United States; InnerWorkings; MillerCoors; Maui County Farm Bureau; ILWU Local 142; The Pepsi Bottling Group; Tedeschi Vinyards, Ltd.; The Association of Food, Beverage and Consumer Products Companies; Goko Restaurant Enterprises, LLC; and forty-seven private



citizens. Your Committee received comments on this measure from Pacific Transfer and the Tax Foundation of Hawaii.

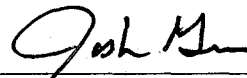
Your Committee finds that increasing the liquor tax and imposing a sugary beverage fee would help the State curb the consumption of alcohol and sugary drinks, while generating additional tax revenue for the State. However, your Committee heard an overwhelming amount of testimony in opposition to the imposition of the Sugary Beverage Healthy Hawaii Fee imposed by this measure. Your Committee understands the impact the Fee will impose on the soft drink industry, including potential and widespread job reductions, and your Committee does not intend to inordinately suppress one industry or destroy a large sector of jobs. Your Committee maintains, however, that the consumption of alcohol continues to present a large number of health problems within society and measures geared toward reducing the consumption of alcohol should continue to be considered.

Accordingly, your Committee has amended this measure by:

- (1) Removing all references to the Sugary Beverage Healthy Hawaii Fee; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

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. 1289, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1289, S.D. 1, and be referred to the Committee on Ways and Means.

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

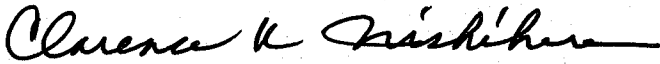


JOSH GREEN, M.D., Chair



The Senate  
Twenty-Sixth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Health**  
**HTH**

Bill / Resolution No.:* <b>SB 1289</b>	Committee Referral: <b>HTH, WAM</b>	Date: <b>2/14/11</b>		
<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
GREEN, M.D., Josh (C)	✓			
NISHIHARA, Clarence K. (VC)	✓			
BAKER, Rosalyn H.	✓			
CHUN OAKLAND, Suzanne	✓			
SHIMABUKURO, Maile				✓
WAKAI, Glenn				✓
SLOM, Sam			✓	
<b>TOTAL</b>	<b>4</b>		<b>1</b>	<b>2</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes