

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG  
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE  
STATE OF HAWAII  
TO THE HOUSE COMMITTEE ON FINANCE  
ON  
HOUSE BILL NO. 605, H.D. 1

February 24, 2011

RELATING TO PUBLIC SAFETY

House Bill No. 605, H.D. 1, creates a Reduced Ignition Propensity Cigarette Program special fund to be administered by the State Fire Council, administratively attached to the Department of Labor and Industrial Relations. The special fund will receive moneys from manufacturer certification fees and interest earned or accrued to be used to fund the operations of the State Fire Council.

As a matter of general policy, the Department of Budget and Finance does not support the creation of any special fund or revolving fund that does not meet the requirements of Sections 37-52.3 and 37-52.4, Hawaii Revised Statutes. Special and revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. In regards to House Bill No. 605, H.D. 1, it is difficult to determine whether the Ignition Propensity Cigarette Program special fund would be financially self-sustaining.



STATE OF HAWAII  
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS

830 PUNCHBOWL STREET, ROOM 321  
HONOLULU, HAWAII 96813  
[www.hawaii.gov/labor](http://www.hawaii.gov/labor)  
Phone: (808) 586-8842 / Fax: (808) 586-9099  
Email: [dflr.director@hawaii.gov](mailto:dflr.director@hawaii.gov)

February 23, 2011

The Honorable Marcus Oshiro, Chair  
Committee on Finance  
House of Representatives  
State Capitol, Room 306  
Honolulu, Hawaii 96813

Dear Chair Oshiro:

Subject: H.B. 605, H.D. 1 Relating to Public Safety

I am Kenneth G. Silva, Chair of the State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support H.B. 605, H.D. 1, with the following recommended amendments (deletions are bracketed, and additions are underlined):

SECTION 3. Section 132C-4, Hawaii Revised Statutes, is amended to read as follows:

"~~[(§)132C-4]~~ **Certification; marking~~].~~; administration. (a) Each manufacturer shall submit to the state fire council written certification attesting that each cigarette has been tested in accordance with, and has met the performance standard required under section 132C-3. The description of each cigarette listed in the certification shall include:**

- (1) ~~[The b]~~ Brand or trade name on the package;
- (2) Style, such as light or ultra light;
- (3) Length in millimeters;
- (4) Circumference in millimeters;
- (5) Flavor, such as menthol, if applicable;
- (6) Filter or nonfilter;
- (7) Package description, such as a soft pack or box;
- (8) ~~[The]~~ Approved mark pursuant to subsection (b);

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- (9) [The] Name, address, and telephone number of the laboratory, if different than the manufacturer that conducted the test; and  
(10) [The] Date [that the] testing occurred.

Each cigarette certified under this subsection shall be recertified [every three years] triennially. For each cigarette listed in a certification, [a] the manufacturer shall pay to the state fire council a \$375 fee. The state fire council is authorized to [annually] adjust this fee annually to ensure it defrays the actual costs of administration and staffing requirements and processing, testing, enforcement, inspection, and oversight activities required by this chapter.

[The] Certifications shall be made available to the attorney general for purposes consistent with this chapter."

Since September 30, 2009, approximately \$375,000 has been collected as a regulatory fee for the SFC. These fees are renewable by the cigarette manufacturers every three years. The monies from the special fund will be used to hire two full-time personnel to effectively administer the program's responsibilities. The purpose of the program is to reduce the number of fires caused by cigarettes in our state.

The SFC and the HFD urge your committee's support on the passage of H.B. 605, H.D. 1, with the recommended amendments.

Should you have any questions, please call SFC Administrator Socrates Bratakos at 723-7151.

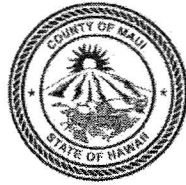
Sincerely,



KENNETH G. SILVA  
Chair

KGS/LR:cn

ALAN M. ARAKAWA  
MAYOR



JEFFREY A. MURRAY  
CHIEF

ROBERT M. SHIMADA  
DEPUTY CHIEF

**COUNTY OF MAUI**  
DEPARTMENT OF FIRE AND PUBLIC SAFETY

200 DAIRY ROAD  
KAHULUI, MAUI, HAWAII 96732  
(808) 270-7561  
FAX (808) 270-7919  
EMAIL: fire.dept@mauicounty.gov

February 22, 2011

The Honorable Marcus Oshiro, Chair  
Committee on Finance  
House of Representatives  
State Capitol, Room 306  
Honolulu, Hawaii 96813

Dear Chair Oshiro:

Subject: H.B. 605, H.D. 1 Relating to Public Safety

I am Jeffrey A. Murray, Fire Chief of the County of Maui, Department of Fire & Public Safety (MFD) and a member of the State Fire Council (SFC). The MFD and the SFC support H.B. 605, H.D. 1, with the following recommended amendments:

SECTION 3. Section 132C-4, Hawaii Revised Statutes, is amended to read as follows:

"**[§132C-4]** **Certification; marking[-]; administration.** (a) Each manufacturer shall submit to the State Fire Council written certification attesting that each cigarette has been tested in accordance with, and has met the performance standard required under section 132C-3. The description of each cigarette listed in the certification shall include:

- (1) The brand or trade name on the package;
- (2) Style, such as light or ultra light;
- (3) Length in millimeters;
- (4) Circumference in millimeters;
- (5) Flavor, such as menthol, if applicable;
- (6) Filter or nonfilter;
- (7) Package description, such as a soft pack or box;
- (8) The mark approved pursuant to subsection (b);
- (9) The name, address, and telephone number of the laboratory, if different than the manufacturer that conducted the test; and
- (10) The date that the testing occurred.

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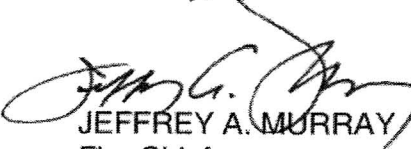
Each cigarette certified under this subsection shall be recertified every three years. For each cigarette listed in a certification, a manufacturer shall pay to the state fire council a \$375 fee. The state fire council is authorized to annually adjust this fee to ensure it defrays the actual costs of the administration and staffing requirements and processing, testing, enforcement, inspection, and oversight activities required by this chapter. The certifications shall be made available to the attorney general for purposes consistent with this chapter."

Since September 30, 2009, approximately \$375,000 has been collected as a regulatory fee for the SFC. These fees are renewable by the cigarette manufacturers every three years. The monies from the special fund will be used to hire two full-time personnel to effectively administer the program's responsibilities. The purpose of the program is to reduce the number of fires caused by cigarettes in our state.

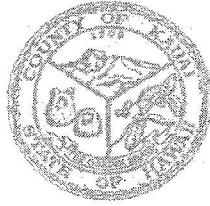
The MFD and the SFC urge your committee's support on the passage of H.B. 605, H.D. 1, with the recommended amendments.

Should you have any questions, please call SFC Administrator Socrates Bratakos at 723-7151.

Sincerely,

  
JEFFREY A. MURRAY  
Fire Chief

**Bernard P. Carvalho, Jr.**  
Mayor



**Robert F. Westerman**  
Fire Chief

**Gary K. Heu**  
Managing Director

**John T. Blalock**  
Deputy Fire Chief

**KAUA'I FIRE DEPARTMENT**  
**County of Kaua'i, State of Hawai'i**  
3083 Akahi Street, Suite 101, Lihu'e, Hawai'i 96766  
TEL (808) 241-4980 FAX (808) 241-6508

February 23, 2011

The Honorable Marcus Oshiro, Chair  
Committee on Finance  
House of Representatives  
State Capitol, Room 306  
Honolulu, Hawaii 96813

Dear Chair Oshiro:

**Subject: H.B. 605, H.D. 1 Relating to Public Safety**

I am Robert F. Westerman, Fire Chief of the Kauai Fire Department (KFD) and a member of the State Fire Council (SFC). The SFC and the KFD support H.B. 605, H.D. 1, with the following recommended amendments:

SECTION 3. Section 132C-4, Hawaii Revised Statutes, is amended to read as follows:

**"~~§~~132C-4 Certification; marking[-]; administration.** (a) Each manufacturer shall submit to the state fire council written certification attesting that each cigarette has been tested in accordance with, and has met the performance standard required under section 132C-3. The description of each cigarette listed in the certification shall include:

- (1) The brand or trade name on the package;
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- (7) Package description, such as a soft pack or box;
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- (9) The name, address, and telephone number of the laboratory, if different than the manufacturer that conducted the test; and
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processing, testing, enforcement, inspection, and oversight activities required by this chapter.

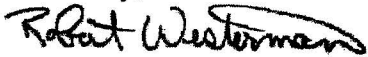
The certifications shall be made available to the attorney general for purposes consistent with this chapter."

Since September 30, 2009, approximately \$375,000 has been collected as a regulatory fee for the SFC. These fees are renewable by the cigarette manufacturers every three years. The monies from the special fund will be used to hire two full-time personnel to effectively administer the program's responsibilities. The purpose of the program is to reduce the number of fires caused by cigarettes in our state.

The SFC and the KFD urge your committee's support on the passage of H.B. 605, H.D. 1, with the recommended amendments.

Please call me at (808) 241-4980 should you have any questions regarding this matter.

Sincerely,



Robert Westerman  
Fire Chief, County of Kaua'i

RFW/eld