

HB 605
HD2, SD1

WRITTEN ONLY

TESTIMONY BY KALBERT K. YOUNG
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEE ON WAYS AND MEANS
ON
HOUSE BILL NO. 605, H.D. 2, S.D. 1

April 1, 2011

RELATING TO PUBLIC SAFETY

House Bill No. 605, H.D. 2, S.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.

This department recognizes the benefit of user fees to offset operational expenses and costs. However, as a matter of general policy, the Department of Budget and Finance expects the creation of any special fund or revolving fund would 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. 2, S.D. 1, although the program has collected \$390,000 since September 30, 2009, 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

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March 29, 2011

The Honorable David Ige, Chair
Committee on Ways and Means
The State Senate
State Capitol, Room 215
Honolulu, Hawaii 96813

Dear Chair Ige:

Subject: H.B. 605, H.D. 2, S.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. 2, S.D. 1, which proposes to establish a Reduced Ignition Propensity Cigarette (RIPC) Program special fund to administer and provide staff for the SFC.

Since September 30, 2009, approximately \$375,000 has been collected as a regulatory fee for the SFC. If the special fund is established, it will be used to hire two full-time personnel to effectively accomplish the following:

1. Adopt administrative rules for program implementation, establish compliance inspections, and approve forms and enforcement procedures and guidelines.
2. Receive, verify, and approve certifications for approximately 600 different brands of cigarettes from various manufacturers.
3. Compile a list of approved brands, verify it with the Office of the Attorney General for state tax stamp compliance, and post it on a state website.
4. Review and approve, as needed, alternative test methods or fire standard compliance markings submitted by a manufacturer.

The Honorable David Ige, Chair
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5. Submit compliance tests to an accredited lab to verify that performance standards have been met, if needed.

The SFC, which is comprised of the four county fire chiefs, was created in 1979 to replace the State Fire Marshal's Office, which was a fully-funded state agency. Under the present organization, the SFC primarily uses county fire department personnel to accomplish its duties, thus depriving the county fire departments of the time and services of its members. These duties include amending and adopting the state fire code, applying for and administering federal fire-related grants, and implementing and administering a statewide RIPC program.

The SFC staff consists of only one part-time person and is funded by the Department of Labor and Industrial Relations, to which the SFC is administratively attached. The SFC is a member of the State Building Code Council and participates in the state building code adoption process. The SFC also coordinates statewide training, data collection, and education and corresponds with national organizations on statewide fire issues. In addition, the SFC advises the Governor and the legislature on fire- and life-safety matters.

The purpose of the RIPC program is to reduce the number of fires caused by cigarettes in the state. Fees are renewable by the cigarette manufacturers every three years and will help sustain the program.

The SFC and the HFD urge your committee's support on the passage of H.B. 605, H.D. 2, S.D. 1.

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

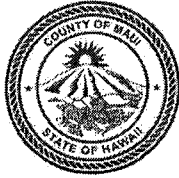
Sincerely,



KENNETH G. SILVA
Chair

KGS/LR:jj

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
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EMAIL: fire.dept@mauicounty.gov

March 29, 2011

The Honorable David Ige, Chair
Committee on Ways and Means
The State Senate
State Capitol, Room 215
Honolulu, Hawaii 96813

Dear Chair Ige:

Subject: H.B. 605, H.D. 2 S.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. 2 S.D. 1, which proposes to establish a Reduced Ignition Propensity Cigarette (RIPC) Program special fund to administer and provide staff for the SFC.

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The purpose of the RIPC program is to reduce the number of fires caused by cigarettes in the state. Fees are renewable by the cigarette manufacturers every three years and will help sustain the program.

The MFD and the SFC urge your committee's support on the passage of H.B. 605, H.D. 2, S.D. 1.

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, Līhu'e, Hawai'i 96766
TEL (808) 241-4980 FAX (808) 241-6508

March 28, 2011

The Honorable David Ige, Chair
Committee on Ways and Means
The State Senate
State Capitol, Room 215
Honolulu, Hawaii 96813

Dear Chair Ige:

Subject: H.B. 605, H.D. 2 S.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. 2 S.D. 1, which proposes to establish a Reduced Ignition Propensity Cigarette (RIPC) Program special fund to administer and provide staff for the SFC.

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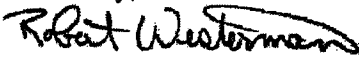
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The purpose of the RIPC program is to reduce the number of fires caused by cigarettes in the state. Fees are renewable by the cigarette manufacturers every three years and will help sustain the program.

The SFC and the KFD urge your committee's support on the passage of H.B. 605, H.D. 2, S.D. 1.

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