
A BILL FOR AN ACT

RELATING TO TOBACCO REGULATION.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. The legislature finds that the public health
2 rationale for the regulation of cigarettes and tobacco products
3 is well developed, as tobacco use is the single most preventable
4 cause of disease, disability, and death in the United States.
5 In addition to substantive laws in the State governing specific
6 aspects of tobacco production, sales, and use, Hawaii law
7 requires retailers, wholesalers, and dealers of cigarettes or
8 tobacco products to obtain a special license or permit. These
9 licenses and permits facilitate the enforcement of the cigarette
10 tax and tobacco tax law under chapter 245, Hawaii Revised
11 Statutes. However, the current license fee for wholesalers and
12 dealers is only \$2.50 a year, while the permit fee for retailers
13 is only \$20 a year. To ensure continued tobacco regulation and
14 enforcement of relevant tax laws, the legislature concludes that
15 these fees should be increased.

16 Accordingly, the purpose of this Act is to increase the:

17 (1) License fee for persons engaged as a wholesaler or
18 dealer of cigarettes or tobacco products; and



1 (2) Retail tobacco permit fee for retailers engaged in the
2 retail sale of cigarettes and other tobacco products.

3 SECTION 2. Section 245-2, Hawaii Revised Statutes, is
4 amended by amending subsection (b) to read as follows:

5 "(b) The license shall be issued by the department upon
6 application therefor, in such form and manner as [~~shall be~~]
7 required by rule of the department, and the payment of a fee of
8 [~~\$2.50,~~] \$ _____ and shall be renewable annually on July 1
9 for the twelve months ending the succeeding June 30."

10 SECTION 3. Section 245-2.5, Hawaii Revised Statutes, is
11 amended by amending subsection (c) to read as follows:

12 "(c) The retail tobacco permit shall be issued by the
13 department upon application by the retailer, in the form and
14 manner prescribed by the department, and the payment of a fee of
15 [~~\$20-~~] \$ _____. Permits shall be valid for one year, from
16 December 1 to November 30, and renewable annually. Whenever a
17 retail tobacco permit is defaced, destroyed, or lost, or the
18 permittee relocates the permittee's business, the department may
19 issue a duplicate retail tobacco permit to the permittee for a
20 fee of \$5 per copy."

21 SECTION 4. Section 245-15, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "§245-15 **Disposition of revenues.** All moneys collected
2 pursuant to this chapter shall be paid into the state treasury
3 as state realizations to be kept and accounted for as provided
4 by law; provided that all fees collected pursuant to sections
5 245-2(b) and 245-2.5(c) shall be deposited to the credit of the
6 Hawaii tobacco prevention and control trust fund established
7 pursuant to section 328L-5; and provided further that, of the
8 moneys collected under the tax imposed pursuant to:

9 (1) Section 245-3(a)(5), after September 30, 2006, and
10 prior to October 1, 2007, 1.0 cent per cigarette shall
11 be deposited to the credit of the Hawaii cancer
12 research special fund, established pursuant to section
13 304A-2168, for research and operating expenses and for
14 capital expenditures;

15 (2) Section 245-3(a)(6), after September 30, 2007, and
16 prior to October 1, 2008:

17 (A) 1.5 cents per cigarette shall be deposited to the
18 credit of the Hawaii cancer research special
19 fund, established pursuant to section 304A-2168,
20 for research and operating expenses and for
21 capital expenditures;



- 1 (B) 0.25 cents per cigarette shall be deposited to
2 the credit of the trauma system special fund
3 established pursuant to section 321-22.5; and
- 4 (C) 0.25 cents per cigarette shall be deposited to
5 the credit of the emergency medical services
6 special fund established pursuant to section 321-
7 234;
- 8 (3) Section 245-3(a)(7), after September 30, 2008, and
9 prior to July 1, 2009:
- 10 (A) 2.0 cents per cigarette shall be deposited to the
11 credit of the Hawaii cancer research special
12 fund, established pursuant to section 304A-2168,
13 for research and operating expenses and for
14 capital expenditures;
- 15 (B) 0.5 cents per cigarette shall be deposited to the
16 credit of the trauma system special fund
17 established pursuant to section 321-22.5;
- 18 (C) 0.25 cents per cigarette shall be deposited to
19 the credit of the community health centers
20 special fund established pursuant to section 321-
21 1.65; and



- 1 (D) 0.25 cents per cigarette shall be deposited to
2 the credit of the emergency medical services
3 special fund established pursuant to section 321-
4 234;
- 5 (4) Section 245-3(a)(8), after June 30, 2009, and prior to
6 July 1, 2013:
- 7 (A) 2.0 cents per cigarette shall be deposited to the
8 credit of the Hawaii cancer research special
9 fund, established pursuant to section 304A-2168,
10 for research and operating expenses and for
11 capital expenditures;
- 12 (B) 0.75 cents per cigarette shall be deposited to
13 the credit of the trauma system special fund
14 established pursuant to section 321-22.5;
- 15 (C) 0.75 cents per cigarette shall be deposited to
16 the credit of the community health centers
17 special fund established pursuant to section 321-
18 1.65; and
- 19 (D) 0.5 cents per cigarette shall be deposited to the
20 credit of the emergency medical services special
21 fund established pursuant to section 321-234; and



1 (5) Section 245-3(a)(11), after June 30, 2013, and
2 thereafter:

3 (A) 2.0 cents per cigarette shall be deposited to the
4 credit of the Hawaii cancer research special
5 fund, established pursuant to section 304A-2168,
6 for research and operating expenses and for
7 capital expenditures;

8 (B) 1.5 cents per cigarette shall be deposited to the
9 credit of the trauma system special fund
10 established pursuant to section 321-22.5;

11 (C) 1.25 cents per cigarette shall be deposited to
12 the credit of the community health centers
13 special fund established pursuant to section 321-
14 1.65; and

15 (D) 1.25 cents per cigarette shall be deposited to
16 the credit of the emergency medical services
17 special fund established pursuant to section 321-
18 234.

19 The department shall provide an annual accounting of these
20 dispositions to the legislature."

21 SECTION 5. Section 328L-5, Hawaii Revised Statutes, is
22 amended by amending subsection (e) to read as follows:



1 "(e) The assets of the Hawaii tobacco prevention and
2 control trust fund shall consist of:

- 3 (1) Moneys appropriated under section 328L-2(b)(3);
4 (2) Moneys appropriated to the Hawaii tobacco prevention
5 and control trust fund by the state, county, or
6 federal government;
7 (3) Moneys collected pursuant to section 245-15;
8 ~~[(3)]~~ (4) Private contributions of cash or property; and
9 ~~[(4)]~~ (5) Income and capital gains earned by the trust
10 fund."

11 SECTION 6. Statutory material to be repealed is bracketed
12 and stricken. New statutory material is underscored.

13 SECTION 7. This Act shall take effect on January 1, 2050.



Report Title:

Tobacco Regulation; License Fee; Retail Tobacco Permit;
Cigarettes; Tobacco Products; Hawaii Tobacco Prevention and
Control Trust Fund

Description:

Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products. Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and other tobacco products. Specifies that revenue from the license and permit fees shall be deposited into the Hawaii tobacco prevention and control trust fund. Effective 01/01/2050. (SD2)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

