

Honolulu, Hawaii

March 21, 2014

RE: S.B. No. 2496
S.D. 2
H.D. 1

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Seventh State Legislature
Regular Session of 2014
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 2496, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO TOBACCO PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Impose an excise tax of an unspecified amount on tobacco products other than large cigars, but including loose and roll-your-own tobacco products, effective January 1, 2015;
- (2) Automatically and proportionally increase the tax on tobacco products upon any increase of the excise tax on cigarettes and little cigars; and
- (3) Deposit collected amounts to the credit of the Hawaii cancer research special fund.

The University of Hawaii Cancer Center, Coalition for a Tobacco-Free Hawaii, American Cancer Society Cancer Action Network, and numerous individuals testified in support of this measure. A councilmember of the Kauai County Council; Hawaii Smokers Alliance; Cigar Association of America, Inc.; Hawaii Food Industry Association; and many individuals testified in opposition of this measure. The Department of Taxation, Department of Budget



and Finance, Tax Foundation of Hawaii, and an individual provided comments.

Your Committee has amended this measure by:

- (1) Removing the automatic and proportional excise tax increase on tobacco products upon any future increase to the excise tax on cigarettes or little cigars;
- (2) Depositing collected amounts to the credit of the Hawaii cancer research special fund and the Hawaii tobacco prevention and control trust fund in unspecified proportions;
- (3) Changing its effective date to July 1, 2150, to encourage further discussion; and
- (4) Making technical, nonsubstantive amendments for clarity, consistency, and style.

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. 2496, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2496, S.D. 2, H.D. 1, and be referred to the Committee on Finance.

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



DELLA AU BELATTI, Chair



State of Hawaii
House of Representatives
The Twenty-seventh Legislature

HSCR 1137-14

Record of Votes of the Committee on Health

Bill/Resolution No.: SB 2496 SD2	Committee Referral: HLT, FIN	Date: 3/19/14		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
HLT Members	Ayes	Ayes (WR)	Nays	Excused
1. BELATTI, Della Au (C)	✓			
2. MORIKAWA, Dee (VC)	✓			
3. CARROLL, Mele				✓
4. CREAGAN, Richard				✓
5. HASHEM, Mark J.	✓			
6. JORDAN, Jo				✓
7. KOBAYASHI, Bertrand	✓			
8. OSHIRO, Marcus R.				✓
9. WOODSON, Justin H.	✓			
10. MATSUMOTO, Lauren Kealohilani	✓			
TOTAL (10)	6			4
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				