

STAND. COM. REP. NO. **3370**

Honolulu, Hawaii

APR 06 2016

RE: H.B. No. 2466
H.D. 1
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Eighth State Legislature
Regular Session of 2016
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2466, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO NON-GENERAL FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to repeal, abolish, or amend various non-general funds pursuant to the recommendations made by the Auditor in Auditor's Report No. 15-17.

For purposes of a public hearing, your Committee circulated a proposed S.D. 1 (Proposed Draft) of the measure and notified the public that your Committee would be accepting testimony on the Proposed Draft, which deleted the contents of the H.D. 1, and inserted provisions that require the Department of Budget and Finance to conduct a study on the distribution of the cigarette tax revenues.

Your Committee received testimony in support of the H.D. 1 from the Office of the Auditor.

Your Committee received testimony in opposition to the H.D. 1 from Active Hawaii, Malama I Ke Ola Health Center, Domestic Violence Action Center, Hana Health, Hawaii Primary Care Association, Hawaii State Coalition Against Domestic Violence, Hoola Lahui Hawaii, Kokua Kalihi Valley Comprehensive Family Services, Lanai Community Health Center, March of Dimes Hawaii Chapter, Violence Prevention Task Force, Waianae Coast

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Comprehensive Health Center, Waikiki Health, Waimanalo Health Center, and twenty-one individuals.

Your Committee received comments on the H.D. 1 from the Department of Health, Tax Foundation of Hawaii, Sex Abuse Treatment Center, and one individual.

Your Committee received testimony in support of the Proposed Draft from the Department of Health, Malama I Ke Ola Health Center, Hana Health, Hawaii Primary Care Association, Kokua Kalihi Valley Comprehensive Family Services, Lanai Community Health Center, Sex Abuse Treatment Center, Waianae Coast Comprehensive Health Center, Waikiki Health, Waimanalo Health Center, and seven individuals.

Your Committee received comments on the Proposed Draft from the Department of Budget and Finance, Tax Foundation of Hawaii, and Hawaii ACEP.

Your Committee finds that due to efforts made by the Department of Health to reduce smoking in Hawaii, cigarette tax revenues are decreasing. Requiring the Department of Health and the Department of Budget and Finance to conduct a study on the declining revenues and make recommendations on how to address the shortfalls will help to ensure that the programs supported by cigarette tax revenues are prepared to obtain alternative means of financing that will sustain or increase program operations and effectiveness.

Your Committee requests that, in conducting the study, the Department of Health and the Department of Budget and Finance consider and identify alternative means of financing at a level that will sustain or increase the operations and effectiveness for programs that receive cigarette tax revenues; and include an assessment of future tobacco product utilization, including estimates of resources or efforts to mitigate the impacts of those sources.

Your Committee has amended this measure by adopting the Proposed Draft and amending it further by requiring the Department of Health to conduct the study jointly with the Department of Budget and Finance.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your



Committee is in accord with the intent and purpose of H.B. No. 2466, H.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2466, H.D. 1, S.D. 1, and be placed on the calendar for Third Reading.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

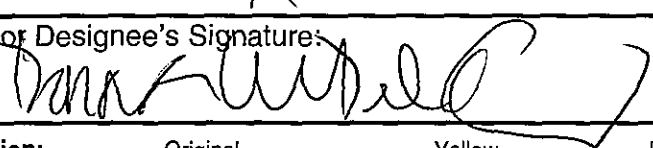


JILL N. TOKUDA, Chair



The Senate
 Twenty-Eighth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* HB 2466 , HD 1	Committee Referral: WAM	Date: 3/23/16		
<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
TOKUDA, Jill N. (C)	/			
DELA CRUZ, Donovan M. (VC)	/			
CHUN OAKLAND, Suzanne	/			
ENGLISH, J. Kalani	/			
GALUTERIA, Brickwood				/
HARIMOTO, Breene	/			
INOUYE, Lorraine R.	/			
RIVIERE, Gil	/			
TANIGUCHI, Brian T.	/			
WAKAI, Glenn	/			
SLOM, Sam				/
TOTAL	9			2
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes