

JAN 20 2017

## A BILL FOR AN ACT

RELATING TO MARIJUANA DISPENSARY GENERAL EXCISE TAX REVENUES.

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

1       SECTION 1. The legislature finds that states having some  
2 form of legalized marijuana have increased needs for law  
3 enforcement services directly and indirectly related to  
4 marijuana. With the establishment of medical marijuana  
5 dispensaries in Hawaii, there will be a need to enhance law  
6 enforcement services in the State.

7       The legislature further finds that the most effective way  
8 to provide funding to enhance law enforcement services is to  
9 designate for those services a share of general excise tax  
10 revenue derived from medical marijuana dispensaries.

11       SECTION 2. Chapter 28, Hawaii Revised Statutes, is amended  
12 by adding a new section to part I to be appropriately designated  
13 and to read as follows:

14       "§28-       Marijuana dispensary special fund. (a) There is  
15 established in the state treasury the marijuana dispensary  
16 special fund to be administered by the department of the  
17 attorney general, into which shall be deposited:



1  
2       (1) General excise tax revenues remitted pursuant to  
3       section 237-31(4);  
4       (2) Appropriations made by the legislature to the fund;  
5       and  
6       (3) Investment earnings from the fund.  
7       (b) Moneys in the marijuana dispensary special fund shall  
8 be used for enforcement purposes relating to the medical  
9 marijuana dispensary system established pursuant to chapter  
10 329D; provided that those moneys shall be divided equally  
11 between the department of the attorney general, the county  
12 police departments, and the county prosecutors' offices, and  
13 that the distributed moneys shall complement but not supplant  
14 funds that are regularly appropriated for law enforcement  
15 purposes relating to the medical marijuana dispensary system."

16       SECTION 3. Section 237-31, Hawaii Revised Statutes, is  
17 amended to read as follows:

18       "**§237-31 Remittances.** All remittances of taxes imposed by  
19 this chapter shall be made by money, bank draft, check,  
20 cashier's check, money order, or certificate of deposit to the  
21 office of the department of taxation to which the return was



1 transmitted. The department shall issue its receipts therefor  
2 to the taxpayer and shall pay the moneys into the state treasury  
3 as a state realization, to be kept and accounted for as provided  
4 by law; provided that:

5 (1) A sum, not to exceed \$5,000,000, from all general  
6 excise tax revenues realized by the State shall be  
7 deposited in the state treasury in each fiscal year to  
8 the credit of the compound interest bond reserve fund;

9 (2) A sum from all general excise tax revenues realized by  
10 the State that is equal to one-half of the total  
11 amount of funds appropriated or transferred out of the  
12 hurricane reserve trust fund under sections 4 and 5 of  
13 Act 62, Session Laws of Hawaii 2011, shall be  
14 deposited into the hurricane reserve trust fund in  
15 fiscal year 2013-2014 and in fiscal year 2014-2015;  
16 provided that the deposit required in each fiscal year  
17 shall be made by October 1 of that fiscal year; [and

18 +](3)[+] Commencing with fiscal year 2018-2019, a sum from all  
19 general excise tax revenues realized by the State that  
20 represents the difference between the state public  
21 employer's annual required contribution for the



1 separate trust fund established under section 87A-42  
2 and the amount of the state public employer's  
3 contributions into that trust fund shall be deposited  
4 to the credit of the State's annual required  
5 contribution into that trust fund in each fiscal year,  
6 as provided in section 87A-42[-]; and

7 (4) On July 1, 2018, and every July 1 thereafter, the  
8 director of taxation shall transfer to the marijuana  
9 dispensary special fund general excise tax revenues in  
10 the sum of fifteen per cent of the annual general  
11 excise tax revenues reported to the department of  
12 health pursuant to section 329D-23 from all marijuana  
13 dispensaries in the preceeding calendar year."

14 SECTION 4. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$ or so  
16 much thereof as may be necessary for fiscal year 2017-2018 for  
17 deposit into the marijuana dispensary special fund established  
18 under section 2 of this Act.

19 SECTION 5. There is appropriated out of the marijuana  
20 dispensary special fund the sum of \$ or so much  
21 thereof as may be necessary for fiscal year 2017-2018 and the



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1 same sum or so much thereof as may be necessary for fiscal year  
 2 2018-2019 for enforcement purposes relating to the medical  
 3 marijuana dispensary system established pursuant to chapter  
 4 329D, Hawaii Revised Statutes; provided that the appropriation  
 5 shall be divided equally between the department of the attorney  
 6 general, the county police departments, and the county  
 7 prosecutors' offices.

8 The sums appropriated shall be expended by the department  
 9 of the attorney general for the purposes of this Act.

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

12 SECTION 7. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:

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# S.B. NO. 319

**Report Title:**

Taxation; Marijuana Dispensary Special Fund

**Description:**

Establishes the marijuana dispensary special fund and requires DOTAX to transfer into the fund each year for enforcement purposes 15 per cent of general excise tax revenues from medical marijuana dispensaries.

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

