

STAND. COM. REP. NO. 1665

Honolulu, Hawaii

APR 09 2021

RE: H.B. No. 1296
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2021
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 1296, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO STATE FUNDS,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the use of tobacco litigation settlement moneys:

More specifically, this measure:

- (1) Repeals the deposit of tobacco litigation settlement moneys to the Hawaii tobacco prevention and control trust fund;
- (2) Establishes that the transfer of tobacco litigation settlement moneys to the university revenue-undertakings fund shall cease on July 1, 2033;
- (3) Repeals the Hawaii tobacco prevention and control trust fund;
- (4) Transfers any unencumbered balances in the Hawaii tobacco prevention and control trust fund to the general fund; and



- (5) Appropriates general funds to the Department of Health for tobacco use prevention and control.

Your Committee received written comments in support of this measure from the Hawaii Smokers Alliance and ten individuals.

Your Committee received written comments in opposition to this measure from the Department of Health; University of Hawaii Student Health Advisory Council; Lanai Community Health Center; Hawaii Substance Abuse Coalition; I Ola Lahui; HIPHI Youth Council; We Are One, Inc.; American Heart Association; Get Fit Kauai; Waimanalo Health Center; Kapiolani Medical Center-Pediatric and Women's Services; Hawaii Primary Care Association; Hawaii Medical Association; Kapiolani Smokefree Families; Hawaii Public Health Institute; Tobacco-Free Kids Action Fund; American Cancer Society Cancer Action Network; Hawaii COPD Coalition; Hawaii Community Foundation; AlohaCare; Adventist Health Castle; Hamakua-Kohala Health; Blue Zones Project; Pioneering Healthier Communities of Honolulu; and numerous individuals.

Your Committee received written comments on this measure from the University of Hawaii.

Your Committee finds that existing law provides that tobacco settlement moneys not deposited into a specific fund shall be deposited into the general fund. Thus, repealing this measure's requirement that a portion of the tobacco litigation settlement moneys be deposited into the Hawaii tobacco prevention and control trust fund will cause general fund revenues to increase. Your Committee further finds that increasing general fund revenues will provide greater flexibility for funding a broader range of programs that address tobacco use prevention and control than those that are currently authorized.

Your Committee has amended this measure by:

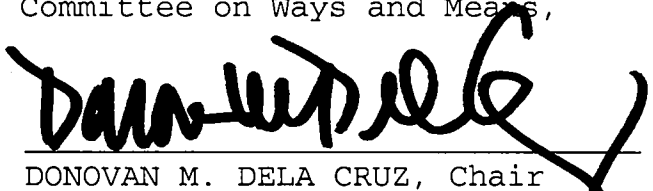
- (1) Delaying the repeal of the Hawaii tobacco prevention and control trust fund to June 30, 2025;
- (2) Repealing, effective June 30, 2025, the statutory requirement for the tobacco prevention and control advisory board to advise on the administration of the Hawaii tobacco prevention and control trust fund;



- (3) Prohibiting any contract for the management of Hawaii tobacco prevention and control trust fund moneys from extending beyond June 30, 2025;
- (4) Transferring to the general fund on June 30, 2025, any unencumbered balances remaining in the Hawaii tobacco prevention and control trust fund;
- (5) Deleting an appropriation from the general fund to the Department of Health for tobacco prevention and control; and
- (6) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

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. 1296, H.D. 1, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 1296, H.D. 1, S.D. 2.

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


DONOVAN M. DELA CRUZ, Chair



