

JAN 19 2022

A BILL FOR AN ACT

RELATING TO THE REDUCED IGNITION PROPENSITY CIGARETTE PROGRAM.

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

1 SECTION 1. The legislature finds that the reduced ignition
2 propensity cigarette law took effect on September 30, 2009. As
3 stated in section 132C-1, Hawaii Revised Statutes, the intent of
4 this law is "to require that only reduced ignition propensity
5 cigarettes be sold in the State."

6 As required by section 132C-4(a), Hawaii Revised Statutes,
7 "[e]ach manufacturer shall submit to the state fire council
8 written certification attesting that each cigarette has been
9 tested in accordance with, and has met the performance standard
10 required under section 132C-3." The statute further states that
11 "[e]ach cigarette certified under this subsection shall be
12 recertified every three years. For each cigarette listed in a
13 certification, a manufacturer shall pay to the state fire
14 council a \$375 fee to be deposited into the reduced ignition
15 propensity cigarette program special fund under section 132C-9.
16 The state fire council is authorized to annually adjust this fee
17 to ensure it defrays the actual costs of the administration and



1 staffing requirements and processing, testing, enforcement,
2 inspection, and oversight activities required by this chapter."

3 In 1979, the legislature abolished the state fire marshal's
4 office and created the state fire council, which comprises the
5 four county fire chiefs and is administratively attached to the
6 department of labor and industrial relations. The goal of the
7 state fire council is to develop and maintain a comprehensive
8 fire service emergency management network for the protection of
9 life, property, and the environment throughout the State of
10 Hawaii. The state fire council is tasked with reviewing and
11 adopting the state fire code, providing administrative oversight
12 of the reduced ignition propensity cigarette program, providing
13 assistance with the application and administration of federal
14 grants for the fire service, assisting and coordinating with the
15 statewide delivery of fire training programs, coordinating the
16 collection of fire data, and supporting contingency planning
17 needs for firefighters. The council may establish statewide
18 qualifications for testing, certifying, and credentialing
19 individuals who perform maintenance and testing of portable fire
20 extinguishers, fire protection systems, and fire alarm systems.
21 The council may also advise the governor and the legislature on



1 matters related to fire prevention, fire protection, and life
2 safety. The state fire council is a voting member of the state
3 building code council, whose responsibilities are delineated in
4 section 107-24, Hawaii Revised Statutes.

5 From its inception until 2001, the state fire council had
6 no funding for staff to fulfill its responsibilities. The state
7 fire council relied upon county personnel to perform its duties
8 along with their normal functions within their fire departments.
9 In 2001, the governor directed the department of labor and
10 industrial relations to allocate \$35,000 in its budget to fund
11 the first part-time employee. In 2011, an additional \$71,000
12 was appropriated by the legislature to hire two additional
13 personnel. With the transfer of certification fees from the
14 reduced ignition propensity cigarette program special fund, the
15 state fire council could hire additional personnel to oversee
16 the coordination of statewide fire data collection and analysis
17 and administer federal fire-related grants. The state fire
18 council would also be able to fund statewide educational efforts
19 for the protection of life, property, and the environment, such
20 as the statewide firefighter's safety guide program for Hawaii's



1 youth and the residential smoke alarm installation program for
2 Hawaii's at-risk senior population.

3 This Act authorizes an annual transfer of \$40,000 from the
4 reduced ignition propensity cigarette program special fund to be
5 used to assist the state fire council with its overall
6 objectives. The following is an overview of the effect this
7 transfer will have on the reduced ignition propensity cigarette
8 program objectives, the impact it will have on the special fund
9 balance, and a proposal to ensure that this transfer does not
10 hinder the objectives of the reduced ignition propensity
11 cigarette program for the future:

12 (1) Estimated reduced ignition propensity cigarette
13 certification fees to be collected annually is
14 \$108,000. Estimated operational expenses for the
15 reduced ignition propensity cigarette program is
16 \$138,000. The result is a \$30,000 overage for the
17 program annually;

18 (2) Upon approval of this Act, the department of labor and
19 industrial relations shall transfer \$40,000 annually
20 from the reduced ignition property cigarette program
21 special fund to assist the state fire council with



1 their programs. Estimated operational expenses for
2 the reduced ignition propensity cigarette program
3 would now be \$178,000. And, this would now result in
4 an overage of approximately \$70,000 annually; and

5 (3) The special fund balance as of September 30, 2021, was
6 more than \$700,000. The special fund balance could
7 accommodate this \$70,000 overage for approximately ten
8 years.

9 As stated previously, "[t]he state fire council is
10 authorized to annually adjust [the reduced ignition propensity
11 cigarette certification] fee to ensure it defrays the actual
12 costs of the administration and staffing requirements and
13 processing, testing, enforcement, inspection, and oversight
14 activities required by this chapter". Prior to exhausting the
15 \$700,000 special fund balance noted above, this Act increases
16 the current certification fee that a cigarette manufacturer pays
17 for each brand/style cigarette from \$375 to \$750 every three
18 years. Based on the approximately eight hundred cigarette
19 brand/styles currently certified for sale in Hawaii, this would
20 result in a total of \$600,000 in fees collected every three
21 years, or \$200,000 annually, which would be sufficient to



1 compensate annual reduced ignition propensity cigarette program
2 operational expenses estimated at \$178,000.

3 The purpose of this Act is to:

4 (1) Authorize the use of the reduced ignition propensity
5 cigarette program special fund to support the duties
6 and responsibilities of the state fire council in
7 addition to administering and enforcing the reduced
8 ignition propensity cigarette program; and

9 (2) Appropriate \$70,000 from the reduced ignition
10 propensity cigarette program special fund for fiscal
11 year 2022-2023 for those purposes.

12 SECTION 2. Section 132C-9, Hawaii Revised Statutes, is
13 amended to read as follows:

14 "[~~+~~]**\$132C-9[~~+~~]** **Reduced ignition propensity cigarette**
15 **program special fund.** (a) There is established in the state
16 treasury a reduced ignition propensity cigarette program special
17 fund, into which shall be deposited all moneys collected by the
18 state fire council from the reduced ignition propensity
19 cigarette program pursuant to section 132C-4. All interest
20 earned or accrued on moneys deposited in the fund shall become
21 part of the fund.



1 (b) Moneys in the reduced ignition propensity cigarette
2 program special fund shall be administered and expended by the
3 state fire council to defray the actual cost of activities and
4 requirements of section 132C-4, including employing one
5 full-time administrator and one full-time assistant whose duties
6 include:

7 (1) Adopting administrative rules for program
8 implementation, establishing compliance inspections,
9 and approving forms and enforcement procedures and
10 guidelines;

11 (2) Receiving certifications for approximately [~~six~~] eight
12 hundred different brands and styles of cigarettes from
13 the manufacturers;

14 (3) Compiling a list of the cigarette brands and styles
15 for which manufacturers have submitted certifications,
16 verifying tax stamp compliance with the department of
17 the attorney general, and posting the list of
18 certified brands and styles on a state website for
19 informational purposes only;



(4) Reviewing and approving, as needed, any alternative test methods or fire standard compliance markings submitted by the manufacturer; and

(5) If needed, submitting certified cigarettes to an accredited laboratory for testing to verify that performance standards have been met.

(c) Moneys in the special fund may also be administered and expended by the state fire council to defray the cost of statewide fire prevention, education, life safety, and preparedness programs, especially as they relate to youth, seniors, and persons with disabilities, including the hiring of administrative personnel."

SECTION 3. There is appropriated out of the reduced ignition propensity cigarette program special fund the sum of \$70,000 or so much thereof as may be necessary for fiscal year 2022-2023 for the purposes described in section 132C-9(c), Hawaii Revised Statutes, as amended by section 2 of this Act.

The sum appropriated shall be expended by the state fire council for the purposes of this Act.

SECTION 4. Statutory material to be repealed is bracketed and stricken. New statutory material is underscored.



1 SECTION 5. This Act shall take effect on July 1, 2022.

2

INTRODUCED BY: MMN-M
By Request



S.B. NO. 2014

Report Title:

State Fire Council Package; Fire Protection; Reduced Ignition
Propensity Cigarette Program Special Fund; Appropriation

Description:

Authorizes additional uses for moneys in the reduced ignition propensity cigarette program special fund to support the State Fire Council and its programs and activities. Appropriates moneys.

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

