

STAND. COM. REP. NO. 3912

Honolulu, Hawaii

APR - 8 2022

RE: H.B. No. 2076
H.D. 1
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirty-First State Legislature
Regular Session of 2022
State of Hawaii

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred H.B. No. 2076, H.D. 1, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO TOBACCO MANUFACTURER QUALIFIED ESCROW FUNDS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Provide a mechanism to assign nonparticipating tobacco manufacturers' qualified escrow fund balances to the State; and
- (2) Provide a mechanism for the financial institution acting as the escrow agent of the qualified escrow fund to petition the courts to authorize transfer of funds to the State when the qualified escrow fund is abandoned.

Your Committees received testimony in support of this measure from the Department of the Attorney General.

Your Committees find that in 1998, Hawai'i and forty-five other states settled smoking-related claims against the then four largest tobacco manufacturers, resulting in parties entering into a Master Settlement Agreement (MSA). Under the MSA, the four tobacco companies were required to make annual payments to the



settling states. Under existing law, tobacco product manufacturers who were not part of the MSA have the option to either submit to the requirements of the MSA, or become a "Non-Participating Manufacturer" (NPM), which requires the NPM to maintain and make payments to a qualified escrow account in the State. Your Committees find that existing law does not provide a mechanism for an NPM that no longer does business in the State to close the escrow account. As a result, many NPMs that no longer do business in the State still maintain and pay fees for escrow accounts they wish to close. This measure authorizes a process for the closure of abandoned NPM escrow accounts.

Your Committees have amended this measure by making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2076, H.D. 1, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as H.B. No. 2076, H.D. 1, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committees on Judiciary and
Ways and Means,

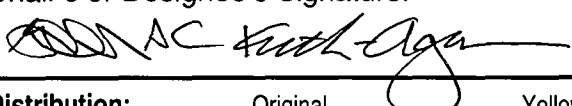

DONOVAN M. DELA CRUZ, Chair


KARL RHOADS, Chair



The Senate
Thirty-First Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:*	Committee Referral:	Date:
HB 2076, HD1, SD1	CPN, JDC/WAM	4/5/22
<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	
DELA CRUZ, Donovan M. (C)	X	
KEITH-AGARAN, Gilbert S.C. (VC)	X	
INOUE, Lorraine R.	X	
KANUHA, Dru Mamo	X	
KIDANI, Michelle N.		X
MISALUCHA, Bennette E.	X	
MORIWAKI, Sharon Y.	X	
SHIMABUKURO, Maile S.L.	X	
TANIGUCHI, Brian T.	X	
WAKAI, Glenn	X	
FEVELLA, Kurt	X	
TOTAL	10	1
Recommendation:		
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted		
Chair's or Designee's Signature:		
		
Distribution:		
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency
Goldenrod Committee File Copy		

*Only one measure per Record of Votes