STAND. COM. REP. NO. 300)

Honolulu, Hawaii

MAR 0 4 2022

RE: S.B. No. 3044 S.D. 1

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 S.B. No. 3044, 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 non-participating tobacco manufacturers' qualified escrow account balances to the State; and
- (2) Provide a mechanism for the financial institution acting as the escrow agent of the qualified escrow account to petition courts to authorize the transfer of funds to the State when the qualified escrow account 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

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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.

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 S.B. No. 3044, S.D. 1, and recommend that it pass Third Reading.

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 Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date:						
5B 3044, SDI	CPN, JDC/NAM			03-02-22						
The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to:										
The Recommendation is:										
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313										
Members		Aye	Aye (Wf	R)	Nay	Excused				
RHOADS, Karl (C)		/								
KEOHOKALOLE, Jarrett (VC)		✓								
ACASIO, Laura		/								
GABBARD, Mike		/								
KIM, Donna Mercado		/								
LEE, Chris		\								
FEVELLA, Kurt										
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TOTAL		7	-	•	_	-				
Recommendation: Adopted 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

The Senate Thirty-First Legislature State of Hawai'i

Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral:			Date:					
SB 3044, SD1	CPN, JDC/WAH 3/2/22				2/22				
The Committee is reconsidering its previous decision on this measure.									
If so, then the previous decision was to:									
The Recommendation is:									
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313									
Members		Aye	Aye (WI	R) Nay	Excused				
DELA CRUZ, Donovan M. (C)		_ ×							
KEITH-AGARAN, Gilbert S.C. (VC)		X							
INOUYE, 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	<u> </u>						
FEVELLA, Kurt		X							
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TOTAL		11							
Recommendation: Adopted 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									

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