

Honolulu, Hawaii

APR 05 2024

RE: H.B. No. 2504  
H.D. 2  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2024  
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred H.B. No. 2504, H.D. 2, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CIGARETTE TAXES,"

begs leave to report as follows:

The purpose and intent of this measure is to amend the cigarette tax and tobacco tax law.

More specifically, this measure:

- (1) Expands the cigarette tax levied upon a wholesaler or dealer under section 245-3, Hawaii Revised Statutes, to include electronic smoking devices and e-liquids;
- (2) Requires 1.0 cent per cigarette, electronic smoking device, and e-liquid, but not more than \$500,000 per fiscal year, to be deposited into the credit of the Tobacco Enforcement Special Fund;
- (3) Repeals research expenses as an authorized use of funds from the Hawaii Cancer Research Special Fund;
- (4) Prohibits the Cancer Center of Hawaii's Early Clinical Trial Program from receiving moneys from the Hawaii Cancer Research Special Fund; and



- (5) Requires the University of Hawaii to submit an annual report to the Legislature on the financial status of the Early Clinical Trial Program.

Your Committee received written comments in support of this measure from the University of Hawaii Cancer Center, Compassion for Cancer Caregivers, Hawaii Pacific Health, Hawaii Primary Care Association, Hawaii Substance Abuse Coalition, Waianae Coast Comprehensive Health Center, and four individuals.

Your Committee received written comments in opposition to this measure from ABC Stores, Hawaii Smokers Alliance, and three individuals.

Your Committee received written comments on this measure from the Department of the Attorney General, Department of Health, Department of Taxation, American Cancer Society Cancer Action Network, and Tax Foundation of Hawaii.

Your Committee finds that, according to the United States Surgeon General, increasing the price of tobacco products is the single most effective way to reduce consumption. Your Committee also finds that increases in cigarette and tobacco taxes have historically been associated with reducing youth and young adult tobacco use and increasing adult cessation, which contributes to lowering chronic disease and health care spending, including Medicaid spending, in the State.

Your Committee has amended this measure by:

- (1) Clarifying that tax revenues deposited into the Hawaii Cancer Research Special Fund shall not be used for early clinical trials; and
- (2) Deleting language that would have:
  - (A) Repealed research expenses as an authorized use of funds in the Hawaii Cancer Research Special Fund;
  - (B) Prohibited the Cancer Center of Hawaii's Early Clinical Trial Program from receiving moneys from the Hawaii Cancer Research Special Fund; and



- (C) Required the University of Hawaii to submit an annual report to the Legislature on the financial status of the Early Clinical Trial Program.

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. 2504, H.D. 2, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2504, H.D. 2, S.D. 2.

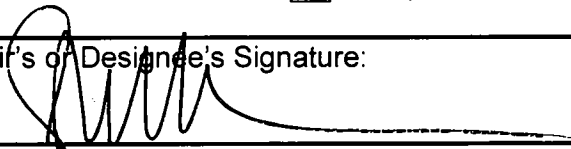
Respectfully submitted on  
behalf of the members of the  
Committee on Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair



The Senate  
 Thirty-Second Legislature  
 State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:* <b>HB 2504 HD<sup>2</sup> SD1</b>	Committee Referral: <b>HHS/HRE, WAM</b>	Date: <b>4/3/2024</b>		
<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			
MORIWAKI, Sharon Y. (VC)	X			
AQUINO, Henry J.C.	X			
DECOITE, Lynn				X
HASHIMOTO, Troy N.	X			
INOUE, Lorraine R.	X			
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
KIM, Donna Mercado	X			
LEE, Chris	X			
SHIMABUKURO, Maile S.L.	X			
WAKAI, Glenn	X			
FEVELLA, Kurt	X			
<b>TOTAL</b>	<b>12</b>	<b>0</b>	<b>0</b>	<b>1</b>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

**\*Only one measure per Record of Votes**