

STAND. COM. REP. NO.

256

Honolulu, Hawaii

FEB 09 , 2023

RE: H.B. No. 982  
H.D. 1

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Health & Homelessness, to which was referred H.B. No. 982 entitled:

"A BILL FOR AN ACT RELATING TO FUNDING FOR THE DEPARTMENT OF THE ATTORNEY GENERAL TOBACCO ENFORCEMENT UNIT,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Increase the amount of funds that the Tobacco Enforcement Special Fund can carry over at the end of each fiscal year;
- (2) Increase the cigarette tax stamp fee and percentage of the fee to be deposited into the Tobacco Enforcement Special Fund; and
- (3) Increase the amount of funds to be deposited into the Tobacco Enforcement Special Fund from the Hawaii Tobacco Settlement Special Fund.

Your Committee received testimony in support of this measure from the Department of Health, Department of Taxation, Department of the Attorney General, American Cancer Society Cancer Action Network, Hawaii Primary Care Association, and Coalition for a Tobacco-Free Hawai'i. Your Committee received testimony in

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opposition to this measure from VOLCANO Vape Shops; Vape Element, LLC; and seventeen individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Tobacco Enforcement Special Fund supports the Department of the Attorney General's Tobacco Enforcement Unit to administer, monitor, and enforce the Tobacco Master Settlement Agreement and related state laws. Your Committee further finds that the amounts of the cigarette tax stamp revenues deposited into the Tobacco Enforcement Special Fund have noticeably dropped in recent years. It is critical to maintain the Tobacco Enforcement Unit's enforcement efforts and minimize the risk of losing the Master Settlement Agreement annual payments. This measure therefore stabilizes and increases funding for the Tobacco Enforcement Unit within the Department of the Attorney General.

Your Committee has amended this measure by:

- (1) Changing to an unspecified amount:
  - (A) The amount of funds in the Tobacco Enforcement Special Fund that carries over to the following fiscal year; and
  - (B) The amount of funds to be prioritized from the tobacco Master Settlement Agreement annual payment to the Tobacco Enforcement Special Fund;
- (2) Changing the effective date to June 30, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider a carryover balance of the Tobacco Enforcement Special Fund of \$750,000 and to consider an amount prioritized from the tobacco Master Settlement Agreement funds to the Tobacco Enforcement Special Fund of \$750,000.

As affirmed by the record of votes of the members of your Committee on Health & Homelessness that is attached to this



report, your Committee is in accord with the intent and purpose of H.B. No. 982, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 982, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

Respectfully submitted on  
behalf of the members of the  
Committee on Health &  
Homelessness,

*Della A Belatti*

DELLA AU BELATTI, Chair



