

Honolulu, Hawaii

FEB 14 , 2024

RE: H.B. No. 2504

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2024
State of Hawaii

Sir:

Your Committees on Higher Education & Technology and Health & Homelessness, to which was referred H.B. No. 2504 entitled:

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

beg leave to report as follows:

The purpose of this measure is to increase the cigarette tax and allocate the increased amount to the Hawaii Cancer Research Special Fund.

Your Committees received testimony in support of this measure from the Department of Taxation; University of Hawai'i System; Department of Health; Hawaii COPD Coalition; Hawaii Primary Care Association; Hawai'i Pacific Health; American Cancer Society Cancer Action Network; Hawai'i Public Health Institute; Adventist Health Castle; and five individuals. Your Committees received testimony in opposition to this measure from the Cigar Association of America; Retail Merchants of Hawaii; Hawaii Smoker Alliance; and four individuals. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that a certain amount of cigarette tax revenue that is currently allocated to the Hawaii Cancer Research Special Fund is specifically pledged toward debt service payments for revenue bonds that were sold to construct the University of Hawaii Cancer Center in 2010 and related research operations.



This measure will ensure the payment for debt service for the revenue bonds and the continued availability of resources for Cancer Center operations.

Your Committees have amended this measure by changing the effective date to July 1, 3000, to encourage further discussion.

Your Committees note that your Committee on Higher Education & Technology believes that the cigarette tax rate should be further increased than provided for in this measure.

As affirmed by the records of votes of the members of your Committees on Higher Education & Technology and Health & Homelessness that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 2504, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 2504, H.D. 1, and be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committees on Higher Education
& Technology and Health &
Homelessness,



DELLA AU BELATTI, Chair



AMY A. PERRUSO, Chair



