STAND. COM. REP. NO. 195 -24

Honolulu, Hawaii

FEB 08, 2024

RE: H.B. No. 2806 H.D. 1

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

Sir:

Your Committee on Health & Homelessness, to which was referred H.B. No. 2806 entitled:

"A BILL FOR AN ACT RELATING TO OPIOID LITIGATION PROCEEDS," begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the Hawaii Opioid Litigation Proceeds Special Fund to serve as the repository for all opioid litigation proceeds received by the State;
- (2) Establish the Hawaii Opioid Litigation Proceeds Council to administer the special fund and oversee the expenditure of all opioid litigation proceeds received by the State; and
- (3) Appropriate funds for the establishment of positions within the Alcohol and Drug Abuse Division of the Department of Health.

Your Committee received testimony in support of this measure from the Hawaii Substance Abuse Coalition; Hawaii Health & Harm Reduction Center; Hep Free Hawaii; and five individuals. Your Committee received comments on this measure from the Department of

2024-1258 HB2806 HD1 HSCR HMSO

Health; Department of Budget and Finance; and Tax Foundation of Hawaii.

Your Committee finds that Hawaii is anticipated to receive in excess of \$156,000,000 in litigation proceeds from lawsuits made against certain entities responsible for manufacturing and distributing opioids; pharmacies that have dispensed opioids; and other related parties who have been found to be responsible for their alleged roles in contributing to the high rates of drug overdoses and other drug-related harms. Your Committee further finds that, based on the State's experience with the tobacco settlement funds from the 1990s, there is a need to establish a framework to maximize the use of proceeds from opioid litigation to address substance use disorders, overdoses, and other drugrelated harms. Your Committee believes that creating a council to oversee and approve the expenditure of opioid litigation funds will ensure these funds are appropriately used to address substance use disorders in a manner that supplements, rather than preempts, state funds.

Your Committee has amended this measure by:

- (1) Changing the funding source for positions within the Alcohol and Drug Abuse Division of the Department of Health to the Hawaii Opioid Litigation Proceeds Special Fund, rather than general revenues;
- (2) Changing the effective date to July 1, 3000, to encourage further discussion; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

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. 2806, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2806, H.D. 1, and be referred to your Committee on Judiciary & Hawaiian Affairs.

STAND. COM. REP. NO. 75 -24 Page 3

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

DELLA AU BELATTI, Chair

State of Hawaii



Record of Votes of the Committee on Health & Homelessness

Bill/Resolution No.: HB2806	Committee Referral: HLT, JHA, FIN			Date: 2/7/24			
The committee is reconsidering its previous decision on the measure.							
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)							
HLT Members		Ayes	Ayes (W	R) 1	Nays	Excused	
1. BELATTI, Della Au (C)							
					7.2 Reng 1.25%		
2. TAKENOUCHI, Jenna (VC)	Total Programme College		1	1562.50	2.07.05.000		
	The Control of		- 1 171 4)			Ku Alberto. I	
3. AMATO, Terez			905 - 13				
4. ILAGAN, Greggor							
TEAGAN, Greggor					Mara Zi	Carlo de la companya	
5. KOBAYASHI, Bertrand	50 0 G. H. H. H. G.		Saffe w. pl				
			24 (1900) 11 (1900)		54, 78, 715,		
6. MARTEN, Lisa							
7. NISHIMOTO, Scott Y.	Secretaria de profesional de la compansión						
						7. 	
8. GARCIA, Diamond							
			_ ·				
				.			
			 -				
		,					
			••				
					-		
			-				
TOTAL (8)		8	· · · · · · · · · · · · · · · · · · ·				
The recommendation is: Adopted If joint referral, did not support recommendation. committee acronym(s)							
Vice Chair's or designee's signature:							
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO							