

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; Hawai'i Health & Harm Reduction Center; Hep Free Hawai'i; and five individuals. Your Committee received comments on this measure from the Department of

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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 drug-related 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.



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

Della A Belatti

DELLA AU BELATTI, Chair



