

Honolulu, Hawaii

MAR 21 2025

RE: H.B. No. 441
H.D. 2
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirty-Third State Legislature
Regular Session of 2025
State of Hawaii

Sir:

Your Committees on Health and Human Services and Higher Education, to which was referred H.B. No. 441, H.D. 2, entitled:

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

beg leave to report as follows:

The purpose and intent of this measure is to, beginning July 1, 2025, amend the cigarette tax and amend the cigarette tax disposition of revenues by allocating the increase in the cigarette tax amount to the Hawaii Cancer Research Special Fund.

Your Committees received testimony in support of this measure from the Department of Health, Department of the Attorney General, State Health Planning and Development Agency, University of Hawai'i System, The Queen's Health Systems, Hawai'i Public Health Institute, American Cancer Society Cancer Action Network, American Heart Association, Coalition for a Tobacco-Free Hawai'i Youth Council, Tobacco-Free Kids, Tobacco-Free Kids Action Fund, Hawai'i Pacific Health, Hawaii Substance Abuse Coalition, Hawaii Medical Association, Hawaii Health & Harm Reduction Center, Hawai'i Children's Action Network Speaks!, Waianae Coast Comprehensive Health Center, and thirty-eight individuals.

Your Committees received testimony in opposition to this measure from the Hawaii Smokers Alliance, No.1 Store, Non-Stop Convenience, S&K Wholesale, Discount Smoke Shop Hawaii, Retail



Merchants of Hawaii, China Town Liquors, Wawa Village Market, Kona Liquor Store, Americans for Tax Reform, R&K Liquor & Grocery, Marukin Market, Young's Wine & Spirit, Cigarettes and Things, Ewa Pantry, Kakaako Smokes, Bevmart, Cigar Association of America, and three individuals.

Your Committees received comments on this measure from the Department of Taxation, Tax Foundation of Hawaii, Tax Foundation, and Tobacco Harm Reduction 101.

Your Committees find that cigarette smoking persists as the leading cause of preventable death nationally and is linked to heart disease, cancer, and stroke, which were also the leading causes of death in the State in 2021. Your Committees further find that the World Health Organization recommends that tobacco taxes should be raised significantly and at regular intervals to ensure that tobacco products do not become more affordable. Your Committees note that the last cigarette tax increase in the State was fourteen years ago in 2011. This measure increases the excise tax on cigarettes and little cigars as a proven public health policy to prevent youth from starting and incentivize adults to quit smoking.

Your Committees have amended this measure by:

- (1) Deleting its contents and inserting the language from S.B. No. 1528, S.D. 1 (2025), a substantively similar measure previously passed by your Committees that, beginning January 1, 2026:
 - (A) Increases the cigarette tax from sixteen cents to eighteen cents; and
 - (B) Amends the disposition of cigarette tax revenues by allocating the increase in the cigarette tax amount to the Hawaii Cancer Research Special Fund; and
- (2) Amending the disposition of cigarette tax revenues by allocating the increase in the cigarette tax amount to be deposited with the Director of Finance to be payable to the University of Hawaii for the purposes of debt reduction for the Cancer Research Center of Hawaii.



As affirmed by the records of votes of the members of your Committees on Health and Human Services and Higher Education that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 441, H.D. 2, as amended herein, and recommend that it pass Second Reading in the form attached hereto as H.B. No. 441, H.D. 2, S.D. 1, and be referred to your Committee on Ways and Means.

Respectfully submitted on
behalf of the members of the
Committees on Health and Human
Services and Higher Education,


DONNA MERCADO KIM, Chair


JOY A. SAN BUENAVENTURA, Chair



The Senate
Thirty-Third Legislature
State of Hawai'i

Record of Votes
Committee on Health and Human Services
HHS

Bill / Resolution No.:* HB 441, HDZ	Committee Referral: HHS/HRE, WAM	Date: 3/19/25		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <div style="display: flex; justify-content: space-around; align-items: flex-start;"> <div style="text-align: center;"> <input type="checkbox"/> Pass, unamended 2312 </div> <div style="text-align: center;"> <input checked="" type="checkbox"/> Pass, with amendments 2311 </div> <div style="text-align: center;"> <input type="checkbox"/> Hold 2310 </div> <div style="text-align: center;"> <input type="checkbox"/> Recommit 2313 </div> </div>				
Members	Aye	Aye (WR)	Nay	Excused
SAN BUENAVENTURA, Joy A. (C)	✓			
AQUINO, Henry J.C. (VC)	✓			
HASHIMOTO, Troy N.	✓			
KEOHOKALOLE, Jarrett	✓			
FEVELLA, Kurt	✓			
TOTAL	5			
Recommendation: <div style="display: flex; justify-content: space-around; align-items: center;"> <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted </div>				
Chair's or Designee's Signature: <div style="text-align: center; margin-top: 10px;"> </div>				
Distribution: <div style="display: flex; justify-content: space-between; margin-top: 10px;"> <div style="text-align: center;">Original File with Committee Report</div> <div style="text-align: center;">Yellow Clerk's Office</div> <div style="text-align: center;">Pink Drafting Agency</div> <div style="text-align: center;">Goldenrod Committee File Copy</div> </div>				

*Only one measure per Record of Votes

Record of Votes
Committee on Higher Education
HRE

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