

TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE HOUSE COMMITTEE ON FINANCE
ON
HOUSE BILL NO. 686

February 27, 2009

RELATING TO REDUCED IGNITION PROPENSITY CIGARETTES

House Bill No. 686 delays the implementation of the reduced ignition propensity cigarettes law to September 30, 2010, and creates a special revolving fund to receive a \$375 fee every three years from the manufacturer for certification testing and authorizes the State Fire Council to expend the funds to cover the personnel and program costs.

We have concerns with this bill. As a matter of general policy, this department does not support the creation of any special or revolving fund which does not meet the requirements of Sections 37-52.3 and 37-53.4 of the Hawaii Revised Statutes. Special or revolving funds should: 1) reflect a clear nexus between the benefits sought and charges made upon the users or beneficiaries of the program; 2) provide an appropriate means of financing for the program or activity; and 3) demonstrate the capacity to be financially self-sustaining. Although the State Fire Council is authorized to annually adjust the certification fee, it is difficult to determine whether the fund will be self-sustaining.



STATE OF HAWAII
DEPARTMENT OF LABOR AND INDUSTRIAL RELATIONS
State Fire Council
830 Punchbowl Street
Honolulu, Hawaii 96813

February 26, 2009

The Honorable Marcus Oshiro, Chair
Committee on Finance
House of Representatives
State Capitol, Room 306
Honolulu, Hawaii 96813

Dear Chair Oshiro:

Subject: H.B. 686 Relating to Reduced Ignition Propensity Cigarettes (RIPC)

I am Kenneth G. Silva, Chair of the State Fire Council (SFC) and Fire Chief of the Honolulu Fire Department (HFD). The SFC and the HFD support H.B. 686, which proposes to extend the RIPC compliance date from September 30, 2009, to September 30, 2010. The bill also seeks to establish a special revolving fund with cigarette certification fees to be administered by the SFC.

The special revolving fund will be expended only for costs associated with the RIPC program and hiring of personnel to administer and accomplish the following:

1. Adopt administrative rules for program implementation, and establish compliance inspections, approved forms, and enforcement procedures and guidelines.
2. Receive, verify, and approve certifications for approximately 1,100 different cigarette brands from manufacturers.
3. Compile a list of the approved brands, verify state tax compliance with the State Department of the Attorney General, and post it on a state website.
4. Review and approve, as needed, alternative test methods or fire standard compliance markings submitted by a manufacturer.

The Honorable Marcus Oshiro, Chair
Page 2
February 26, 2009

5. Submit the compliance testing to an accredited laboratory to verify that all performance standards have been met, if needed.

The purpose of Chapter 132C of the Hawaii Revised Statutes (formerly Act 218 of the 2008 Session Laws of Hawaii) is to reduce fires caused by cigarettes by requiring that only RIPC be sold in the state. In accordance with the law, cigarette manufacturers are assessed a \$375 fee triennially for each brand of cigarette in order for the SFC to implement and administer the program. Twenty-two states have similar legislation in effect, and 16 states have passed legislation to implement the program. The State Fire Marshal's (SFM) Office for these states is responsible for the program and works cooperatively with their Attorney General.

Hawaii, the only state without a SFM, has the SFC. The SFC's staff consists of one part-time employee funded by the State Department of Labor and Industrial Relations. That employee is already tasked with other council duties, including application and administration of training grants, adoption of the state fire code, and coordination of meetings, travel, and other daily duties.

The SFC and the HFD urge your committee's support on the passage of H.B. 686 to administer this important program, which will reduce the number of fires caused by cigarettes in our state.

Should you have any questions, please call HFD Legislative Liaison Lloyd Rogers at 723-7171.

Sincerely,



KENNETH G. SILVA
Chair

KGS/LR:cn

CHARMAINE TAVARES
MAYOR



JEFFREY A. MURRAY
CHIEF

ROBERT M. SHIMADA
DEPUTY CHIEF

COUNTY OF MAUI
DEPARTMENT OF FIRE AND PUBLIC SAFETY

200 DAIRY ROAD
KAHULUI, MAUI, HAWAII 96732
(808) 270-7561
FAX (808) 270-7919

February 26, 2009

The Honorable Marcus R. Oshiro, Chair
Committee on Finance
House of Representatives
State Capitol, Room 434
Honolulu, Hawaii 96813

Dear Chair Oshiro:

Subject: H.B. 686 Relating to Reduced Ignition Propensity Cigarettes (RIPC)

I am Jeffrey A. Murray, Member of the State Fire Council (SFC) and Fire Chief of the County of Maui, Department of Fire and Public Safety (DOFAPS). The SFC and the DOFAPS support H.B. 686, which proposes to extend the RIPC compliance date from September 30, 2009, to September 30, 2010. The bill also seeks to establish a special revolving fund with cigarette certification fees to be administered by the SFC.

Act 218, 2008 Legislative Session, which is now 132C Hawaii Revised Statutes, was passed with the purpose to reduce cigarette caused fires by requiring all cigarettes sold in the state be of a reduced ignition propensity type. The law states that cigarette manufacturers are assessed triennially a \$375 fee per brand type and for the SFC to implement and administer the program. Twenty-two states have similar legislation in effect and 16 states have passed legislation to implement the program. The State Fire Marshal's Office for each of these states has the responsibility for the program and works cooperatively with their Attorney General's Office. Hawaii is the only state without a State Fire Marshal, but instead has the State Fire Council, which is comprised of the four county fire chiefs and administratively attached to the Department of Labor and Industrial Relations.

The special revolving fund will be expended only for costs associated with the RIPC program and hiring of personnel to administer and accomplish the following:

1. Adopt administrative rules for program implementation, and establish compliance inspections, approved forms, and enforcement procedures and guidelines.

The Honorable Marcus R. Oshiro, Chair
Page 2
February 26, 2009

2. Receive, verify, and approve certifications for approximately 1,100 different cigarette brands from manufacturers.
3. Compile a list of the approved brands, verify state tax compliance with the State Department of the Attorney General, and post it on a state website.
4. Review and approve, as needed, alternative test methods or fire standard compliance markings submitted by a manufacturer.
5. Submit the compliance testing to an accredited laboratory to verify that all performance standards have been met, if needed.

The SFC's staff consists of one part-time employee funded by the State Department of Labor and Industrial Relations. That employee is already tasked with other council duties, including application and administration of training grants, adoption of the state fire code, and coordination of meetings, travel, and other daily duties.

The SFC and the DOFAPS urge your committee's support on the passage of H.B. 686 to administer this important program, which will reduce the number of fires caused by cigarettes in our state.

Should you have any questions, please call the SFC's Legislative Liaison Lloyd Rogers at 723-7171.

Sincerely,



FOR JEFFREY A. MURRAY
Fire Chief

JAM:rgkm

William P. Kenoi
Mayor



Darryl J. Oliveira
Fire Chief

Glen P. I. Honda
Deputy Fire Chief

County of Hawai'i FIRE DEPARTMENT

25 Aupuni Street • Suite 103 • Hilo, Hawai'i 96720
(808) 981-8394 • Fax (808) 981-2037

February 25, 2009

The Honorable Marcus R. Oshiro, Chair
Committee on Finance
House of Representatives
State Capitol, Room 434
Honolulu, Hawaii 96813

Dear Chair Oshiro:

Subject: HB 686 Relating to Reduced Ignition Propensity Cigarettes (RIPC)
Notice of Hearing: Friday, February 27, 2009 / 12:00 p.m.

The Hawaii Fire Department supports HB 686, which proposes to extend the RIPC compliance date from September 30, 2009, to September 30, 2010. The bill also seeks to establish a special revolving fund with cigarette certification fees to be administered by the State Fire Council.

Act 218, 2008 Legislative Session, which is now 132C Hawaii Revised Statutes, was passed with the purpose to reduce cigarette caused fires by requiring all cigarettes sold in the state be of a reduced ignition propensity type. The law states that cigarette manufacturers are assessed triennially a \$375 fee per brand type and for the SFC to implement and administer the program. Twenty-two states have similar legislation in effect and 16 states have passed legislation to implement the program. The State Fire Marshal's Office for each of these states has the responsibility for the program and works cooperatively with their Attorney General's Office. Hawaii is the only state without a State Fire Marshal, but instead has the State Fire Council, which is comprised of the four county fire chiefs and administratively attached to the Department of Labor and Industrial Relations.

The special revolving fund will be expended only for costs associated with the RIPC program and hiring of personnel to administer and accomplish the following:

1. Adopt administrative rules for program implementation, and establish compliance inspections, approved forms, and enforcement procedures and guidelines.
2. Receive, verify, and approve certifications for approximately 1,100 different cigarette brands from manufacturers.



The Honorable Marcus R. Oshiro, Chair
Page 2
February 25, 2009

3. Compile a list of the approved brands, verify state tax compliance with the State Department of the Attorney General, and post it on a state website.
4. Review and approve, as needed, alternative test methods or fire standard compliance markings submitted by a manufacturer.
5. Submit the compliance testing to an accredited laboratory to verify that all performance standards have been met, if needed.

The State Fire Council's staff consists of one part-time employee funded by the State Department of Labor and Industrial Relations. That employee is already tasked with other council duties, including application and administration of training grants, adoption of the state fire code, and coordination of meetings, travel, and other daily duties.

The Hawaii Fire Department urges your committee's support on the passage of HB 686 to administer this important program, which will reduce the number of fires caused by cigarettes in our state.

Sincerely,



DARRYL OLIVEIRA
Fire Chief

DO:lk

Bernard P. Carvalho, Jr.
Mayor



Robert F. Westerman
Fire Chief

John T. Blalock
Deputy Fire Chief

COUNTY OF KAUAI
Fire Department
Mo'iikeha Building
4444 Rice Street, Suite 295
Lihu'e, Kaua'i, Hawaii 96766

February 26, 2009

The Honorable Marcus R. Oshiro, Chair
Committee on Finance
House of Representatives
State Capitol, Room 434
Honolulu, Hawaii 96813

Dear Chair Oshiro:

Subject: H.B. 686 Relating to Reduced Ignition Propensity Cigarettes (RIPC)

I am Robert F. Westerman, member of the State Fire Council (SFC) and Fire Chief of the Kauai Fire Department (KFD). The SFC and the KFD support H.B. 686, which proposes to extend the RIPC compliance date from September 30, 2009, to September 30, 2010. The bill also seeks to establish a special revolving fund with cigarette certification fees to be administered by the SFC.

Act 218, 2008 Legislative Session, which is now 132C Hawaii Revised Statutes, was passed with the purpose to reduce cigarette caused fires by requiring all cigarettes sold in the state be of a reduced ignition propensity type. The law states that cigarette manufacturers are assessed triennially a \$375 fee per brand type and for the SFC to implement and administer the program. Twenty-two states have similar legislation in effect and 16 states have passed legislation to implement the program. The State Fire Marshal's Office for each of these states has the responsibility for the program and works cooperatively with their Attorney General's Office. Hawaii is the only state without a State Fire Marshal, but instead has the State Fire Council, which is comprised of the four county fire chiefs and administratively attached to the Department of Labor and Industrial Relations.

The special revolving fund will be expended only for costs associated with the RIPC program and hiring of personnel to administer and accomplish the following:

1. Adopt administrative rules for program implementation, and establish compliance inspections, approved forms, and enforcement procedures and guidelines.
2. Receive, verify, and approve certifications for approximately 1,100 different cigarette brands from manufacturers.
3. Compile a list of the approved brands, verify state tax compliance with the State Department of the Attorney General, and post it on a state website.

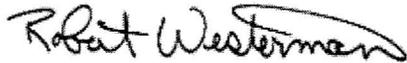
4. Review and approve, as needed, alternative test methods or fire standard compliance markings submitted by a manufacturer.
5. Submit the compliance testing to an accredited laboratory to verify that all performance standards have been met, if needed.

The SFC's staff consists of one part-time employee funded by the State Department of Labor and Industrial Relations. That employee is already tasked with other council duties, including application and administration of training grants, adoption of the state fire code, and coordination of meetings, travel, and other daily duties.

The SFC and the KFD urge your committee's support on the passage of H.B. 686 to administer this important program, which will reduce the number of fires caused by cigarettes in our state.

Should you have any questions, please call me at 241-4980.

Sincerely,



Robert F. Westerman
Fire Chief

RFW/LR:cz



COALITION FOR A
TOBACCO-FREE HAWAII

To: Representative Marcus R. Oshiro, Chair, Committee on Finance
Representative Marilyn B. Lee, Vice Chair, Committee on Finance
Members, Committee on Finance
From: Trisha Y. Nakamura, Policy and Advocacy Director 
Date: February 25, 2009
Hrg: House Committee on Finance; February 27, 2009 at 12:00 p.m.
Re: **Support for HB 686, Relating to Reduced Ignition Propensity Cigarettes**

Thank you for the opportunity to comment in support of HB 686 which delays the implementation of the reduced ignition propensity cigarettes law (Act 218 of the 2008 Session Laws of Hawaii).

The Coalition for a Tobacco Free Hawaii (Coalition) is the only independent organization in Hawaii whose sole mission is to reduce tobacco use through education, policy and advocacy. The Coalition provides leadership for the tobacco control community, develops networks, helps coordinate tobacco control programs and builds community awareness.

In 2008, the Coalition testified in support of HB 2438, the measure that became the reduced ignition cigarettes law. Reduced ignition propensity cigarettes will reduce harms caused by cigarette-smoking. Here, a reduction in the number of cigarette fires which are the leading causes of fire deaths and property damage in the United States.

The Coalition appreciates the Legislature's current effort to ensure thorough and appropriate implementation of the reduced ignition propensity cigarettes law by the State Fire Council. HB 686 aims to ensure that the State Fire Council is adequately equipped and funded to administer the reduced ignition propensity cigarette program and ensure proper enforcement of the law.

Thank you for the opportunity to testify on this matter.