

JAN 28 2009

S.B. NO. 1255

A BILL FOR AN ACT

RELATING TO REDUCED IGNITION PROPENSITY CIGARETTES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1 SECTION 1. Section 132C-4, Hawaii Revised Statutes, is
2 amended by amending its title and subsection (a) to read as
3 follows:

4 "~~§~~132C-4 ~~[+]~~ Certification; marking[-]; revolving fund.

5 (a) Each manufacturer shall submit to the state fire council
6 written certification attesting that each cigarette has been
7 tested in accordance with, and has met the performance standard
8 required under section 132C-3. The description of each
9 cigarette listed in the certification shall include:

- 10 (1) The brand or trade name on the package;
- 11 (2) Style, such as light or ultra light;
- 12 (3) Length in millimeters;
- 13 (4) Circumference in millimeters;
- 14 (5) Flavor, such as menthol, if applicable;
- 15 (6) Filter or nonfilter;
- 16 (7) Package description, such as a soft pack or box;
- 17 (8) The mark approved pursuant to subsection (b);



1 (9) The name, address, and telephone number of the
2 laboratory, if different than the manufacturer that
3 conducted the test; and

4 (10) The date that the testing occurred.

5 Each cigarette certified under this subsection shall be
6 recertified every three years. For each cigarette listed in a
7 certification, a manufacturer shall pay to the state fire
8 council a \$375 fee. The fees shall be deposited into a special
9 revolving fund hereby created within the state treasury and to
10 be administered by the state fire council. Moneys from the
11 special revolving fund shall be expended only for the purposes
12 of hiring personnel to administer the reduced ignition
13 propensity cigarette program and to cover any costs associated
14 with the program, including processing, testing, inspections,
15 and enforcement. The state fire council is authorized to
16 annually adjust this fee to ensure it defrays the actual costs
17 of the administration, processing, testing, enforcement,
18 inspection and oversight activities required by this chapter.

19 The certifications shall be made available to the attorney
20 general for purposes consistent with this chapter."

21 SECTION 2. Section 132C-8, Hawaii Revised Statutes, is
22 amended to read as follows:



1 "[~~f~~]§132C-8[~~f~~] **Existing inventories; consumer testing.**

2 The requirement that cigarettes sold in Hawaii must be in
3 compliance with this chapter shall not prohibit:

4 (1) Wholesalers or dealers from selling existing cigarette
5 inventories on or after September 30, [~~2009~~] 2010;
6 provided that the wholesaler or dealer can establish
7 both of the following to the satisfaction of the state
8 fire council:

9 (A) The Hawaii tax stamps were affixed to the
10 cigarettes pursuant to chapter 245 prior to
11 September 30, [~~2009~~] 2010; and

12 (B) The inventory was purchased prior to September
13 30, [~~2009~~] 2010, and the purchased inventory is
14 comparable to the amount of inventory purchased
15 during the same period the previous year; or

16 (2) The sale of cigarettes solely for the purpose of
17 consumer testing. For the purposes of this paragraph,
18 the term "consumer testing" means an assessment of
19 cigarettes that is conducted by or under the control
20 and direction of a manufacturer for the purpose of
21 evaluating consumer acceptance of cigarettes, using
22 only the quantity of cigarettes that is reasonably



1 necessary for the assessment, and in a controlled
2 setting where the cigarettes are either consumed on-
3 site or returned to the testing administrators at the
4 conclusion of the testing."

5 SECTION 3. Act 218, Session Laws of Hawaii 2008, is
6 amended by amending section 6 to read as follows:

7 "SECTION 6. This Act shall take effect on September 30,
8 ~~[2009,]~~ 2010, and shall be implemented to coincide with the
9 excise tax incremental increase on cigarettes effective
10 September 30, ~~[2009,]~~ 2010, pursuant to section 245-3, Hawaii
11 Revised Statutes; provided that section 4 shall take effect upon
12 approval of this Act; provided further that section [~~—5(1),~~]
13 132C-5(1), Hawaii Revised Statutes, shall take effect upon
14 approval of this Act."

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. This Act shall take effect upon its approval.
18

INTRODUCED BY:

Will Espero
Michelle M. Sidani
Josh M.
Robert Bann



Report Title:

Reduced Ignition Propensity Cigarettes; Certification; Revolving Fund

Description:

Delays implementation of the reduced ignition propensity cigarettes law to 09/30/2010. Creates a special revolving fund to receive deposits of cigarette certification fees. Authorizes the state fire council to expend moneys from the fund to cover the reduced ignition propensity cigarettes personnel and program costs.



TESTIMONY BY GEORGINA K. KAWAMURA
DIRECTOR, DEPARTMENT OF BUDGET AND FINANCE
STATE OF HAWAII
TO THE SENATE COMMITTEES ON COMMERCE AND CONSUMER PROTECTION,
AND PUBLIC SAFETY AND MILITARY AFFAIRS
ON
SENATE BILL NO. 1255

February 17, 2009

RELATING TO REDUCED IGNITION PROPENSITY CIGARETTES

Senate Bill No. 1255 delays the implementation of the reduced ignition propensity cigarettes law to September 30, 2010, and creates a revolving fund to receive \$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 appreciate the intent of 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 11, 2009

The Honorable Rosalyn Baker, Chair
Committee on Commerce and
Consumer Protection
The State Senate
State Capitol, Room 231
Honolulu, Hawaii 96813

The Honorable Will Espero, Chair
Committee on Public Safety and Military Affairs
The State Senate
State Capitol, Room 207
Honolulu, Hawaii 96813

Dear Chairs Baker and Espero:

Subject: S.B. 1255 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 S.B. 1255, which proposes to extend the RIPC compliance date from September 30, 2009, to September 30, 2010, to establish a special revolving fund with cigarette certification fees to be administered by the SFC.

The special revolving fund shall 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 Rosalyn Baker, Chair

The Honorable Will Espero, Chair

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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, to which the SFC is administratively attached. 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 S.B. 1255 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



COUNTY OF KAUAI
Fire Department
Mo'ikeha Building
4444 Rice Street, Suite 295
Lihue, Kauai, Hawaii 96766

February 12, 2009

The Honorable Rosalyn H. Baker
Committee on Consumer Protection
State Senate
State Capitol, Room 231
Honolulu, Hawaii 96813

The Honorable Will Espero, Chair
Committee on Public Safety and Military Affairs
State Senate
State Capitol, Room 207
Honolulu, Hawaii 96813

Dear Chairs Baker and Espero:

Subject: S.B. 1255 Relating to the Reduced Ignition Propensity Cigarette (RIPC) Program

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 S.B. 1255, which proposes to extend the RIPC compliance date from September 30, 2009, to September 30, 2010, to establish a special revolving fund from the program fees to be administered by the SFC. The extension is needed for the SFC to hire staff personnel to accomplish the following:

1. Adopt administrative rules for program implementation; establish compliance inspections, approved forms and enforcement procedures and guidelines.
2. Receive, verify and approve certifications for approximately 1,100 different brands of cigarettes from the manufacturers.
3. Compile a list of all the approved brands, verify the state tax compliance with the attorney general's office, and post it on a state website.

Review and approve, as needed, any alternative test methods or fire standard compliance markings submitted by a manufacturer.

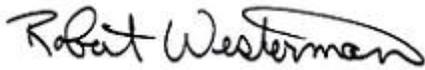
Submit the compliance testing to an accredited lab to verify that all performance standards have been met, if needed.

The special revolving fund is needed to allow the SFC to use the certification fees from the cigarette manufacturers to hire staff personnel and cover the cost of processing, testing, and any oversight activities required by the program. The SFC currently has one part-time staff employee funded by the state, who is already tasked with other council duties, including application/administration of training grants, state fire code adoption process, coordination of council meetings and travel and other daily council duties.

The SFC and the KFD urge your committee's support on the passage of S.B. 1255 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,

A handwritten signature in black ink that reads "Robert Westerman". The signature is written in a cursive style with a prominent flourish at the end.

Robert F. Westerman
Fire Chief

RFW/LR:cz



To: Senator Rosalyn H. Baker, Chair, Commerce and Consumer Protection Committee
Senator David Y. Ige, Vice Chair, Commerce and Consumer Protection Committee
Senator Will Espero, Chair, Public Safety and Military Affairs
Senator Robert Bunda, Vice Chair, Public Safety and Military Affairs
Members, Senate Joint Committee on Commerce and Consumer Protection, and Public
Safety and Military Affairs

From: Trisha Y. Nakamura, Policy and Advocacy Director 

Date: February 13, 2009

Hrg: Senate Joint CPN/PSM Committee; February 17, 2009 at 10:30 a.m.

Re: **Support for SB 1255, Relating to Reduced Ignition Propensity Cigarettes**

Thank you for the opportunity to comment in support of SB 1255 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. SB 1255 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.