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# A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 PART I

2 SECTION 1. The legislature finds that the State is  
3 suffering significant economic hardship due to the COVID-19  
4 pandemic. While the legislature supports tobacco prevention and  
5 cessation, given the extraordinary economic conditions that the  
6 State is facing, all resources must be examined to protect the  
7 overall health, safety, and welfare of the public.

8 The purpose of this part is to generate additional general  
9 funds to ensure the delivery of critical services statewide by  
10 suspending the distribution of tobacco settlement moneys to the  
11 Hawaii tobacco prevention and control trust fund and maximizing  
12 other state resources.

13 SECTION 2. Section 328L-2, Hawaii Revised Statutes, is  
14 amended by amending subsection (b) to read as follows:

15 "(b) The fund shall be used for the purpose of receiving,  
16 allocating, and appropriating the tobacco settlement moneys as  
17 follows:



1 (1) Fifteen per cent shall be appropriated into the  
2 emergency and budget reserve fund under  
3 section 328L-3;

4 ~~[(2) Twelve and one-half per cent shall be appropriated~~  
5 ~~into the Hawaii tobacco prevention and control trust~~  
6 ~~fund under section 328L-5;~~

7 ~~[(3) Twenty-six]~~ (2) Until July 1, 2033, twenty-six  
8 per cent shall be appropriated into the university  
9 revenue-undertakings fund created in  
10 section 304A-2167.5, to be applied to the payment of  
11 the principal of and interest on, and to generate  
12 required coverage, if any, for, revenue bonds issued  
13 by the board of regents of the University of Hawaii to  
14 finance the cost of construction of a university  
15 health and wellness center, including a new medical  
16 school facility, to be situated on the island of Oahu;  
17 and

18 ~~[(4)]~~ (3) Any remaining amounts in excess of \$4,300,000  
19 shall be deposited to the credit of the state general  
20 fund;

21 in the succeeding fiscal year."



1 SECTION 3. Section 328L-6, Hawaii Revised Statutes, is  
2 amended to read as follows:

3 "[+]§328L-6[+] **Tobacco prevention and control advisory**

4 **board.** (a) There is established a tobacco prevention and  
5 control advisory board under the department for administrative  
6 purposes.

7 (b) The tobacco prevention and control advisory board  
8 shall consist of members who are involved in tobacco prevention  
9 and control. Membership of the board shall be as follows:

10 (1) One member of the governor's staff, appointed by the  
11 governor;

12 (2) One member to be appointed by the governor from a list  
13 of two names submitted by the president of the senate;

14 (3) One member to be appointed by the governor from a list  
15 of two names submitted by the speaker of the house of  
16 representatives;

17 (4) The director or the director's designee;

18 (5) The superintendent of education or the  
19 superintendent's designee;

20 (6) Three members having demonstrated interest in and  
21 having backgrounds beneficial to controlling and



1 preventing the use of tobacco, appointed by the  
2 director of health; and  
3 (7) Three members representing populations at risk for  
4 tobacco use, appointed by the governor.  
5 (c) Members shall:  
6 (1) Be appointed or designated, as applicable, without  
7 regard to section 26-34;  
8 (2) Serve without compensation; and  
9 (3) Serve for a term of three years.  
10 (d) The tobacco prevention and control advisory board, in  
11 collaboration with the department, shall develop a strategic  
12 plan for tobacco prevention and control, including:  
13 (1) Developing and implementing effective and cost  
14 efficient programs, including health promotion and  
15 disease prevention;  
16 (2) Developing adequate standards and benchmarks by which  
17 measures of program success under paragraph (1) of  
18 this subsection may be appropriately evaluated; and  
19 (3) Assessing the effectiveness of programs engaged in  
20 health promotion and disease prevention.



1           The strategic plan shall be in writing and shall be a  
2 public document.

3           ~~[(e) The tobacco prevention and control advisory board  
4 shall advise the on the administration of the Hawaii tobacco  
5 prevention and control trust fund.]"~~

6           SECTION 4. Section 328L-5, Hawaii Revised Statutes, is  
7 repealed.

8           ~~["**§328L-5 Hawaii tobacco prevention and control trust**  
9 **fund.** (a) There is established the Hawaii tobacco prevention  
10 and control trust fund as a separate fund of a nonprofit entity  
11 having a board of directors and qualifying under  
12 section 501(c)(3) of the Internal Revenue Code of 1986, as  
13 amended, into which shall be deposited moneys received as  
14 provided under section 328L-2(b)(2). The director of health  
15 with the concurrence of the governor, shall select, in  
16 accordance with law, the entity based upon the proven record of  
17 accomplishment of the entity in administering a similar trust  
18 fund.~~

19           ~~(b) Notwithstanding that the Hawaii tobacco prevention and  
20 control trust fund is established within a private entity, the  
21 department of budget and finance shall have oversight authority~~



1 ~~over the fund and may make periodic financial audits of the~~  
2 ~~fund; provided that the director of finance may contract with a~~  
3 ~~certified public accountancy firm for this purpose. The~~  
4 ~~director of health with the concurrence of the governor in their~~  
5 ~~sole discretion may rescind the selection of the entity. If the~~  
6 ~~selection of the entity [is] rescinded, moneys in the trust fund~~  
7 ~~shall revert back to the State and shall be deemed to be trust~~  
8 ~~moneys.~~

9 ~~(c) The entity selected under subsection (a), for each~~  
10 ~~fiscal year, may expend up to fifty per cent of the total market~~  
11 ~~value of the Hawaii tobacco prevention and control trust fund on~~  
12 ~~the preceding June 30, for tobacco prevention and control,~~  
13 ~~including but not limited to, reducing cigarette smoking and~~  
14 ~~tobacco use among youth and adults through education and~~  
15 ~~enforcement activities, and controlling and preventing chronic~~  
16 ~~diseases where tobacco is a risk factor.~~

17 ~~(d) The Hawaii tobacco prevention and control trust fund~~  
18 ~~may receive appropriations, contributions, grants, endowments,~~  
19 ~~or gifts in cash or otherwise from any source, including the~~  
20 ~~State, corporations or other businesses, foundations,~~  
21 ~~government, individuals, and other interested parties; provided~~



1 ~~that any appropriations made by the State shall not supplant or~~  
2 ~~diminish the funding of existing tobacco prevention and control~~  
3 ~~programs or any health related programs funded in whole or in~~  
4 ~~part by the State.~~

5 ~~(c) The assets of the Hawaii tobacco prevention and~~  
6 ~~control trust fund shall consist of:~~

7 ~~(1) Moneys appropriated under section 328L-2(b)(2);~~

8 ~~(2) Moneys appropriated to the Hawaii tobacco prevention~~  
9 ~~and control trust fund by the state, county, or~~  
10 ~~federal government;~~

11 ~~(3) Private contributions of cash or property; and~~

12 ~~(4) Income and capital gains earned by the trust fund.~~

13 ~~(f) The aggregate principal sum deposited in the Hawaii~~  
14 ~~tobacco prevention and control trust fund shall be invested by~~  
15 ~~the entity selected under subsection (a) in a manner intended to~~  
16 ~~maximize the rate of return on investment of the trust fund~~  
17 ~~consistent with the objective of preserving the trust fund's~~  
18 ~~principal.~~

19 ~~(g) If the entity selected under subsection (a) is~~  
20 ~~dissolved, the director of health, with the concurrence of the~~  
21 ~~governor, shall select a successor entity. If the Hawaii~~



1 ~~tobacco prevention and control trust fund is terminated, the~~  
2 ~~moneys remaining in the trust fund shall revert back to the~~  
3 ~~State and shall be deemed to be trust moneys.~~

4 ~~(h) The administration of the Hawaii tobacco prevention~~  
5 ~~and control trust fund shall be advised by the tobacco~~  
6 ~~prevention and control advisory board created under~~  
7 ~~section 328L-6." ]~~

8 SECTION 5. Any contract relating to the management of the  
9 Hawaii tobacco prevention and control trust fund moneys shall  
10 not extend beyond June 30, 2025.

11 SECTION 6. Any unencumbered balances remaining in the  
12 Hawaii tobacco prevention and control trust fund as of June 30,  
13 2025, shall lapse to the credit of the general fund on June 30,  
14 2025.

15 SECTION 7. The department of health shall provide an  
16 annual report on the moneys expended from the Hawaii tobacco  
17 prevention and control trust fund to the legislature no later  
18 than twenty days prior to the convening of the regular sessions  
19 of 2022, 2023, 2024, 2025, and 2026. The report shall identify  
20 each recipient of moneys from the fund, the amount of moneys  
21 received by each recipient, and the purpose of the expenditure.



1 PART II

2 SECTION 8. This part is recommended by the governor for  
3 immediate passage in accordance with article VII, section 9, of  
4 the Constitution of the State of Hawaii.

5 SECTION 9. There is appropriated out of the general  
6 revenues of the State of Hawaii the sum of \$4,780,880 or so much  
7 thereof as may be necessary for fiscal year 2020-2021 for  
8 payroll and other current expenses to address the budget  
9 shortfall for the state comprehensive emergency medical services  
10 system.

11 The sum appropriated shall be expended by the department of  
12 health for the purposes of this part.

13 PART III

14 SECTION 10. There is appropriated out of the general  
15 revenues of the State of Hawaii the sum of \$577,466 or so much  
16 thereof as may be necessary for fiscal year 2021-2022 and the  
17 same sum or so much thereof as may be necessary for fiscal year  
18 2022-2023 for the establishment of two full-time equivalent  
19 (2.00 FTE) permanent positions and five full-time equivalent  
20 (5.00 FTE) temporary positions for the office of the governor.



1 The sums appropriated shall be expended by the office of  
2 the governor for the purposes of this part.

3 PART IV

4 SECTION 11. Chapter 36, Hawaii Revised Statutes, is  
5 amended by adding a new section to be appropriately designated  
6 and to read as follows:

7 "§36- Non-general fund positions; reimbursement. Each  
8 department, including the University of Hawaii and the  
9 department of education, shall reimburse the State for  
10 contributions made by the State pursuant to sections 87A-39  
11 and 88-125, for fringe benefits of employees whose positions are  
12 funded by a special fund rather than by the general fund."

13 SECTION 12. Section 245-15, Hawaii Revised Statutes, is  
14 amended to read as follows:

15 "§245-15 Disposition of revenues. (a) All moneys  
16 collected pursuant to this chapter shall be paid into the state  
17 treasury as state realizations to be kept and accounted for as  
18 provided by law; provided that, of the moneys collected under  
19 the tax imposed pursuant to:

20 (1) Section 245-3(a)(5), after September 30, 2006, and  
21 prior to October 1, 2007, 1.0 cent per cigarette shall



1 be deposited to the credit of the Hawaii cancer  
2 research special fund, established pursuant to  
3 section 304A-2168, for research and operating expenses  
4 and for capital expenditures;

5 (2) Section 245-3(a)(6), after September 30, 2007, and  
6 prior to October 1, 2008:

7 (A) 1.5 cents per cigarette shall be deposited to the  
8 credit of the Hawaii cancer research special  
9 fund, established pursuant to section 304A-2168,  
10 for research and operating expenses and for  
11 capital expenditures;

12 (B) 0.25 cents per cigarette shall be deposited to  
13 the credit of the trauma system special fund  
14 established pursuant to section 321-22.5; and

15 (C) 0.25 cents per cigarette shall be deposited to  
16 the credit of the emergency medical services  
17 special fund established pursuant to  
18 section 321-234;

19 (3) Section 245-3(a)(7), after September 30, 2008, and  
20 prior to July 1, 2009:



- 1 (A) 2.0 cents per cigarette shall be deposited to the  
2 credit of the Hawaii cancer research special  
3 fund, established pursuant to section 304A-2168,  
4 for research and operating expenses and for  
5 capital expenditures;
- 6 (B) 0.5 cents per cigarette shall be deposited to the  
7 credit of the trauma system special fund  
8 established pursuant to section 321-22.5;
- 9 (C) 0.25 cents per cigarette shall be deposited to  
10 the credit of the community health centers  
11 special fund established pursuant to  
12 section 321-1.65; and
- 13 (D) 0.25 cents per cigarette shall be deposited to  
14 the credit of the emergency medical services  
15 special fund established pursuant to  
16 section 321-234;
- 17 (4) Section 245-3(a)(8), after June 30, 2009, and prior to  
18 July 1, 2013:
- 19 (A) 2.0 cents per cigarette shall be deposited to the  
20 credit of the Hawaii cancer research special  
21 fund, established pursuant to section 304A-2168,



1 for research and operating expenses and for  
2 capital expenditures;

3 (B) 0.75 cents per cigarette shall be deposited to  
4 the credit of the trauma system special fund  
5 established pursuant to section 321-22.5;

6 (C) 0.75 cents per cigarette shall be deposited to  
7 the credit of the community health centers  
8 special fund established pursuant to  
9 section 321-1.65; and

10 (D) 0.5 cents per cigarette shall be deposited to the  
11 credit of the emergency medical services special  
12 fund established pursuant to section 321-234;

13 (5) Section 245-3(a)(11), after June 30, 2013, and prior  
14 to July 1, 2015:

15 (A) 2.0 cents per cigarette shall be deposited to the  
16 credit of the Hawaii cancer research special  
17 fund, established pursuant to section 304A-2168,  
18 for research and operating expenses and for  
19 capital expenditures;



- 1 (B) 1.5 cents per cigarette shall be deposited to the  
2 credit of the trauma system special fund  
3 established pursuant to section 321-22.5;
- 4 (C) 1.25 cents per cigarette shall be deposited to  
5 the credit of the community health centers  
6 special fund established pursuant to  
7 section 321-1.65; and
- 8 (D) 1.25 cents per cigarette shall be deposited to  
9 the credit of the emergency medical services  
10 special fund established pursuant to  
11 section 321-234; and
- 12 (6) Section 245-3(a)(11), after June 30, 2015, and  
13 ~~[thereafter]~~:
- 14 (A) Prior to July 1, 2041, 2.0 cents per cigarette  
15 shall be deposited to the credit of the Hawaii  
16 cancer research special fund, established  
17 pursuant to section 304A-2168, for ~~[research and~~  
18 ~~operating expenses and for]~~ capital expenditures;
- 19 (B) Thereafter, 1.125 cents per cigarette, but not  
20 more than \$7,400,000 in a fiscal year, shall be  
21 deposited to the credit of the trauma system



1 special fund established pursuant to  
 2 section 321-22.5;

3 (C) Thereafter, 1.25 cents per cigarette, but not  
 4 more than \$8,800,000 in a fiscal year, shall be  
 5 deposited to the credit of the community health  
 6 centers special fund established pursuant to  
 7 section 321-1.65; and

8 (D) Prior to July 1, 2021, 1.25 cents per cigarette,  
 9 but not more than \$8,800,000 in a fiscal year,  
 10 shall be deposited to the credit of the emergency  
 11 medical services special fund established  
 12 pursuant to section 321-234.

13 (b) The department shall provide an annual accounting of  
 14 these dispositions to the legislature."

PART V

15

16 SECTION 13. The legislature finds that mass shootings and  
 17 mass casualty events are a public health crisis. The National  
 18 Governors Association has stated that efforts to prevent  
 19 targeted violence map on to other prevention and mitigation  
 20 efforts, specifically public health models. The legislature  
 21 notes that many violence prevention strategies, such as



1 assessment, risk identification, and mitigation, are already  
2 included as an important part of new physician training. These  
3 current practices fit well with the objectives and strategies of  
4 threat assessment teams, while trained mental health  
5 professionals, such as psychiatrists and psychologists, provide  
6 crucial insights and skills that are invaluable to  
7 interdisciplinary threat assessment.

8 The legislature further finds that the Hawaii state fusion  
9 center, in partnership with other agencies, has already laid a  
10 foundation for a threat assessment program. Enabling a  
11 multidisciplinary threat assessment team consisting of  
12 individuals with diverse training and experience can help  
13 prevent violence and find solutions to manage threats.

14 The purpose of this part is to establish a threat  
15 assessment team program within the Hawaii state fusion center of  
16 the office of homeland security to train, establish, and operate  
17 threat assessment teams.

18 SECTION 14. Chapter 128A, Hawaii Revised Statutes, is  
19 amended by adding a new section to be appropriately designated  
20 and to read as follows:





1 SECTION 17. This Act shall take effect on July 1, 2021;  
2 provided that sections 3 and 4 shall take effect on June 30,  
3 2025.



**Report Title:**

Hawaii Tobacco Settlement Special Fund; Hawaii Tobacco Prevention and Control Trust Fund; Repeal; Emergency Appropriation; Governor; Cigarette Taxes; UH; Threat Assessment Team Program; DHRD; Positions; Appropriation

**Description:**

Part I: Repeals the Hawaii tobacco prevention and control trust fund and transfers unencumbered balances to the general fund on 6/30/2025. Specifies that Hawaii tobacco settlement special fund moneys shall only be deposited into the university revenue-undertakings fund until 7/1/2033. Prohibits any contract for the management of Hawaii tobacco prevention and control trust fund moneys from extending beyond 6/30/2025. Imposes a \$4,300,000 cap on Hawaii tobacco settlement special fund. Requires report to the legislature twenty days prior to the convening of the regular sessions of 2022, 2023, 2024, 2025, and 2026 on expenditures from Hawaii tobacco prevention and control trust fund moneys. Part II: Makes an emergency appropriation to provide funds for the state comprehensive emergency medical services system for expenses related to collective bargaining and other current expenses. Part III: Establishes and funds two permanent and five temporary full-time equivalent positions in the office of the governor. Part IV: Requires all departments and the University of Hawaii to reimburse fringe benefit costs for non-general funded positions. Specifies that the cigarette tax revenues deposited to the credit of the cancer research special fund shall only be used for capital expenditures and only until 7/1/2041. Ceases deposits of cigarette tax revenues into the emergency medical services special fund on 7/1/2021. Part V: Establishes a threat assessment team program. Part VI: Funds one full-time equivalent position in the department of human resources development. (CD1)

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