
A BILL FOR AN ACT

RELATING TO STATE FUNDS.

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

1 SECTION 1. Section 328L-2, Hawaii Revised Statutes, is
2 amended by amending subsection (b) to read as follows:
3 "(b) The fund shall be used for the purpose of receiving,
4 allocating, and appropriating the tobacco settlement moneys as
5 follows:
6 (1) Fifteen per cent shall be appropriated into the
7 emergency and budget reserve fund under section
8 328L-3;
9 ~~[-(2) Twelve and one half per cent shall be appropriated~~
10 ~~into the Hawaii tobacco prevention and control trust~~
11 ~~fund under section 328L-5;~~
12 ~~-(3)]~~ (2) ~~[Twenty-six]~~ Until July 1, 2033, twenty-six per
13 cent shall be appropriated into the university
14 revenue-undertakings fund created in section
15 304A-2167.5, to be applied to the payment of the
16 principal of and interest on, and to generate required
17 coverage, if any, for, revenue bonds issued by the



1 board of regents of the University of Hawaii to
2 finance the cost of construction of a university
3 health and wellness center, including a new medical
4 school facility, to be situated on the island of Oahu;
5 and

6 ~~[(4)]~~ (3) Any remaining amounts shall be deposited to the
7 credit of the state general fund;
8 in the succeeding fiscal year."

9 SECTION 2. Section 328L-5, Hawaii Revised Statutes, is
10 repealed.

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



1 ~~(b) Notwithstanding that the Hawaii tobacco prevention and~~
2 ~~control trust fund is established within a private entity, the~~
3 ~~department of budget and finance shall have oversight authority~~
4 ~~over the fund and may make periodic financial audits of the~~
5 ~~fund, provided that the director of finance may contract with a~~
6 ~~certified public accountancy firm for this purpose. The~~
7 ~~director of health with the concurrence of the governor in their~~
8 ~~sole discretion may rescind the selection of the entity. If the~~
9 ~~selection of the entity [is] rescinded, moneys in the trust fund~~
10 ~~shall revert back to the State and shall be deemed to be trust~~
11 ~~moneys.~~

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

20 ~~(d) The Hawaii tobacco prevention and control trust fund~~
21 ~~may receive appropriations, contributions, grants, endowments,~~



~~1 or gifts in cash or otherwise from any source, including the
2 State, corporations or other businesses, foundations,
3 government, individuals, and other interested parties, provided
4 that any appropriations made by the State shall not supplant or
5 diminish the funding of existing tobacco prevention and control
6 programs or any health related programs funded in whole or in
7 part by the State.~~

~~8 (e) The assets of the Hawaii tobacco prevention and
9 control trust fund shall consist of:~~

- ~~10 (1) Moneys appropriated under section 328L-2(b)(2);
11 (2) Moneys appropriated to the Hawaii tobacco prevention
12 and control trust fund by the state, county, or
13 federal government;
14 (3) Private contributions of cash or property; and
15 (4) Income and capital gains earned by the trust fund.~~

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



1 ~~(g) If the entity selected under subsection (a) is~~
2 ~~dissolved, the director of health, with the concurrence of the~~
3 ~~governor, shall select a successor entity. If the Hawaii~~
4 ~~tobacco prevention and control trust fund is terminated, the~~
5 ~~moneys remaining in the trust fund shall revert back to the~~
6 ~~State and shall be deemed to be trust moneys.~~

7 ~~(h) The administration of the Hawaii tobacco prevention~~
8 ~~and control trust fund shall be advised by the tobacco~~
9 ~~prevention and control advisory board created under section~~
10 ~~328L-6."]~~

11 SECTION 3. There is appropriated out of the general
12 revenues of the State of Hawaii the sum of \$ or so
13 much thereof as may be necessary for fiscal year 2021-2022 and
14 the same sum or so much thereof as may be necessary for fiscal
15 year 2022-2023 to be for tobacco prevention and control
16 purposes.

17 The sums appropriated shall be expended by the department
18 of health for the purposes of this Act.

19 SECTION 4. Any unencumbered balances remaining in the
20 Hawaii tobacco prevention and control trust fund as of



1 September 1, 2022, shall lapse to the credit of the general
2 fund.

3 SECTION 5. Statutory material to be repealed is bracketed
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 2050.



Report Title:

Hawaii Tobacco Settlement Special Fund; Hawaii Tobacco Prevention and Control Trust Fund; Repeal; General Fund; Appropriation

Description:

Repeals the Hawaii tobacco prevention and control trust fund and transfers unencumbered balances to the general fund. Specifies that Hawaii tobacco settlement special fund moneys shall only be deposited into the University revenue-undertakings fund until 7/1/2033. Appropriates general funds to the department of health for tobacco prevention and control. Effective 7/1/2050.
(SD1)

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