

JAN 22 2021

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# A BILL FOR AN ACT

RELATING TO LITTER CONTROL.

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

1           SECTION 1. Chapter 339, Hawaii Revised Statutes, is  
2 amended by adding a new section to part I to be appropriately  
3 designated and to read as follows:

4           "§339-           Cigarette litter abatement special fund;  
5 established. (a) There is established the cigarette litter  
6 abatement special fund, into which shall be deposited:

7           (1) Moneys collected pursuant to section 245-3;

8           (2) Legislative appropriations; and

9           (3) Gifts, donations, and grants from public agencies and  
10           private persons.

11           (b) All interest earned or accrued on moneys deposited in  
12 the cigarette litter abatement special fund shall become part of  
13 the fund. The fund shall be administered and expended by the  
14 department of health for the purposes described in subsection

15 (c).

16           (c) The department may expend moneys from the fund:



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- 1        (1) To refund any overpayment of the cigarette excise tax
- 2                under section 245-3(a)(12);
- 3        (2) On outreach and education to prevent improper
- 4                cigarette litter disposal;
- 5        (3) For costs to collect and remove cigarette litter from
- 6                public lands and public spaces; and
- 7        (4) To reimburse a county for costs of collecting and
- 8                removing cigarette litter on public lands and public
- 9                spaces within the county's control, pursuant to rules
- 10               adopted by the department pursuant to section
- 11               339-2(a)."

12               SECTION 2. Section 245-3, Hawaii Revised Statutes, is

13 amended by amending subsection (a) to read as follows:

14               "(a) Every wholesaler or dealer, in addition to any other

15 taxes provided by law, shall pay for the privilege of conducting

16 business and other activities in the State:

- 17               (1) An excise tax equal to 5.00 cents for each cigarette
- 18                        sold, used, or possessed by a wholesaler or dealer
- 19                        after June 30, 1998, whether or not sold at wholesale,
- 20                        or if not sold then at the same rate upon the use by
- 21                        the wholesaler or dealer;



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- 1           (2) An excise tax equal to 6.00 cents for each cigarette  
2           sold, used, or possessed by a wholesaler or dealer  
3           after September 30, 2002, whether or not sold at  
4           wholesale, or if not sold then at the same rate upon  
5           the use by the wholesaler or dealer;
- 6           (3) An excise tax equal to 6.50 cents for each cigarette  
7           sold, used, or possessed by a wholesaler or dealer  
8           after June 30, 2003, whether or not sold at wholesale,  
9           or if not sold then at the same rate upon the use by  
10          the wholesaler or dealer;
- 11          (4) An excise tax equal to 7.00 cents for each cigarette  
12          sold, used, or possessed by a wholesaler or dealer  
13          after June 30, 2004, whether or not sold at wholesale,  
14          or if not sold then at the same rate upon the use by  
15          the wholesaler or dealer;
- 16          (5) An excise tax equal to 8.00 cents for each cigarette  
17          sold, used, or possessed by a wholesaler or dealer on  
18          and after September 30, 2006, whether or not sold at  
19          wholesale, or if not sold then at the same rate upon  
20          the use by the wholesaler or dealer;



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- 1           (6) An excise tax equal to 9.00 cents for each cigarette  
2           sold, used, or possessed by a wholesaler or dealer on  
3           and after September 30, 2007, whether or not sold at  
4           wholesale, or if not sold then at the same rate upon  
5           the use by the wholesaler or dealer;
- 6           (7) An excise tax equal to 10.00 cents for each cigarette  
7           sold, used, or possessed by a wholesaler or dealer on  
8           and after September 30, 2008, whether or not sold at  
9           wholesale, or if not sold then at the same rate upon  
10          the use by the wholesaler or dealer;
- 11          (8) An excise tax equal to 13.00 cents for each cigarette  
12          sold, used, or possessed by a wholesaler or dealer on  
13          and after July 1, 2009, whether or not sold at  
14          wholesale, or if not sold then at the same rate upon  
15          the use by the wholesaler or dealer;
- 16          (9) An excise tax equal to 11.00 cents for each little  
17          cigar sold, used, or possessed by a wholesaler or  
18          dealer on and after October 1, 2009, whether or not  
19          sold at wholesale, or if not sold then at the same  
20          rate upon the use by the wholesaler or dealer;



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1       (10) An excise tax equal to 15.00 cents for each cigarette  
2            or little cigar sold, used, or possessed by a  
3            wholesaler or dealer on and after July 1, 2010,  
4            whether or not sold at wholesale, or if not sold then  
5            at the same rate upon the use by the wholesaler or  
6            dealer;

7       (11) An excise tax equal to 16.00 cents for each cigarette  
8            or little cigar sold, used, or possessed by a  
9            wholesaler or dealer on and after July 1, 2011,  
10          whether or not sold at wholesale, or if not sold then  
11          at the same rate upon the use by the wholesaler or  
12          dealer;

13       (12) An excise tax equal to \_\_\_\_\_ cents for each  
14       cigarette or little cigar sold, used, or possessed by  
15       a wholesaler or dealer on and after July 1, 2022,  
16       whether or not sold at wholesale, or if not sold then  
17       at the same rate upon the use by the wholesaler or  
18       dealer;

19       ~~(12)~~ (13) An excise tax equal to seventy per cent of the  
20            wholesale price of each article or item of tobacco  
21            products, other than large cigars, sold by the



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1 wholesaler or dealer on and after September 30, 2009,  
 2 whether or not sold at wholesale, or if not sold then  
 3 at the same rate upon the use by the wholesaler or  
 4 dealer; and

5 [~~13~~] (14) An excise tax equal to fifty per cent of the  
 6 wholesale price of each large cigar of any length,  
 7 sold, used, or possessed by a wholesaler or dealer on  
 8 and after September 30, 2009, whether or not sold at  
 9 wholesale, or if not sold then at the same rate upon  
 10 the use by the wholesaler or dealer.

11 Where the tax imposed has been paid on cigarettes, little  
 12 cigars, or tobacco products that thereafter become the subject  
 13 of a casualty loss deduction allowable under chapter 235, the  
 14 tax paid shall be refunded or credited to the account of the  
 15 wholesaler or dealer. The tax shall be applied to cigarettes  
 16 through the use of stamps."

17 SECTION 3. Section 245-15, Hawaii Revised Statutes, is  
 18 amended to read as follows:

19 "**§245-15 Disposition of revenues.** All moneys collected  
 20 pursuant to this chapter shall be paid into the state treasury  
 21 as state realizations to be kept and accounted for as provided



1 by law; provided that, of the moneys collected under the tax  
2 imposed pursuant to:

3 (1) Section 245-3(a)(5), after September 30, 2006, and  
4 prior to October 1, 2007, 1.0 cent per cigarette shall  
5 be deposited to the credit of the Hawaii cancer  
6 research special fund, established pursuant to section  
7 304A-2168, for research and operating expenses and for  
8 capital expenditures;

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

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

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

19 (C) 0.25 cents per cigarette shall be deposited to  
20 the credit of the emergency medical services



1 special fund established pursuant to section  
2 321-234;

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

5 (A) 2.0 cents per cigarette shall be deposited to the  
6 credit of the Hawaii cancer research special  
7 fund, established pursuant to section 304A-2168,  
8 for research and operating expenses and for  
9 capital expenditures;

10 (B) 0.5 cents per cigarette shall be deposited to the  
11 credit of the trauma system special fund  
12 established pursuant to section 321-22.5;

13 (C) 0.25 cents per cigarette shall be deposited to  
14 the credit of the community health centers  
15 special fund established pursuant to section  
16 321-1.65; and

17 (D) 0.25 cents per cigarette shall be deposited to  
18 the credit of the emergency medical services  
19 special fund established pursuant to section  
20 321-234;





1 (4) Section 245-3(a)(8), after June 30, 2009, and prior to  
2 July 1, 2013:

3 (A) 2.0 cents per cigarette shall be deposited to the  
4 credit of the Hawaii cancer research special  
5 fund, established pursuant to section 304A-2168,  
6 for research and operating expenses and for  
7 capital expenditures;

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

11 (C) 0.75 cents per cigarette shall be deposited to  
12 the credit of the community health centers  
13 special fund established pursuant to section  
14 321-1.65; and

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

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

20 (A) 2.0 cents per cigarette shall be deposited to the  
21 credit of the Hawaii cancer research special



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1 fund, established pursuant to section 304A-2168,  
2 for research and operating expenses and for  
3 capital expenditures;

4 (B) 1.5 cents per cigarette shall be deposited to the  
5 credit of the trauma system special fund  
6 established pursuant to section 321-22.5;

7 (C) 1.25 cents per cigarette shall be deposited to  
8 the credit of the community health centers  
9 special fund established pursuant to section  
10 321-1.65; and

11 (D) 1.25 cents per cigarette shall be deposited to  
12 the credit of the emergency medical services  
13 special fund established pursuant to section  
14 321-234; [~~and~~]

15 (6) Section 245-3(a)(11), after June 30, 2015, and  
16 [~~thereafter~~] prior to July 1, 2022:

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



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1 (B) 1.125 cents per cigarette, but not more than  
 2 \$7,400,000 in a fiscal year, shall be deposited  
 3 to the credit of the trauma system special fund  
 4 established pursuant to section 321-22.5;

5 (C) 1.25 cents per cigarette, but not more than  
 6 \$8,800,000 in a fiscal year, shall be deposited  
 7 to the credit of the community health centers  
 8 special fund established pursuant to section  
 9 321-1.65; and

10 (D) 1.25 cents per cigarette, but not more than  
 11 \$8,800,000 in a fiscal year, shall be deposited  
 12 to the credit of the emergency medical services  
 13 special fund established pursuant to section  
 14 321-234[~~-~~]; and

15 (7) Section 245-3(a)(12), after June 30, 2022, and  
 16 thereafter:

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



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1           (B) 1.125 cents per cigarette, but not more than  
 2           \$7,400,000 in a fiscal year, shall be deposited  
 3           to the credit of the trauma system special fund  
 4           established pursuant to section 321-22.5;

5           (C) 1.25 cents per cigarette, but not more than  
 6           \$8,800,000 in a fiscal year, shall be deposited  
 7           to the credit of the community health centers  
 8           special fund established pursuant to section  
 9           321-1.65;

10          (D) 1.25 cents per cigarette, but not more than  
 11          \$8,800,000 in a fiscal year, shall be deposited  
 12          to the credit of the emergency medical services  
 13          special fund established pursuant to section  
 14          321-234; and

15          (E) \_\_\_\_\_ cents per cigarette, but not more than  
 16          \$ \_\_\_\_\_ in a fiscal year, shall be deposited  
 17          to the credit of the cigarette litter abatement  
 18          special fund established pursuant to section  
 19          339-\_\_\_\_\_.

20   The department shall provide an annual accounting of these  
 21   dispositions to the legislature."



1 SECTION 4. There is appropriated out of the general  
 2 revenues of the State of Hawaii the sum of \$ or so much  
 3 thereof as may be necessary for fiscal year 2021-2022 and the  
 4 same sum or so much thereof as may be necessary for fiscal year  
 5 2022-2023 to be deposited into the cigarette litter abatement  
 6 special fund.

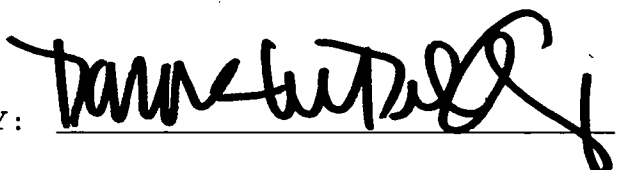
7 SECTION 5. There is appropriated out of the cigarette  
 8 litter abatement special fund the sum of \$ or so much  
 9 thereof as may be necessary for fiscal year 2021-2022 and the  
 10 same sum or so much thereof as may be necessary for fiscal year  
 11 2022-2023 for the purposes described in section 339- , Hawaii  
 12 Revised Statutes.

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

15 SECTION 6. Statutory material to be repealed is bracketed  
 16 and stricken. New statutory material is underscored.

17 SECTION 7. This Act shall take effect on July 1, 2021.

18

INTRODUCED BY: 



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**Report Title:**

Litter Control; Cigarettes; Tax; Special Fund; Appropriation

**Description:**

Increases the cigarette excise tax imposed on each cigarette sold in the State and allocates the increase in tax revenues to a cigarette litter abatement special fund. Provides that the cigarette litter abatement special fund shall be used to cover the costs of collecting and removing cigarette litter and providing outreach and education to curb improper cigarette litter disposal. Appropriates funds.

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

