JAN 2 1 2022

#### A BILL FOR AN ACT

RELATING TO THE SUGAR-SWEETENED BEVERAGE FEE PROGRAM.

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

- 1 SECTION 1. The legislature finds that there is a need to
- 2 continue to invest in the health of Hawaii's keiki and ohana.
- 3 In Hawaii, one out of four middle and high school youth and more
- 4 than half of adults are overweight or obese. Sixty-one per cent
- 5 of Hawaii adults are living with at least one chronic disease
- 6 such as diabetes, heart disease, or cancer. A 2016 report found
- 7 that seventy-one per cent of third graders in Hawaii were
- 8 affected by tooth decay, making Hawaii the state with the
- 9 highest prevalence of tooth decay among third graders in the
- 10 nation. The State also received a failing grade in a series of
- 11 oral health report cards released by the Pew Center on the
- 12 States.
- 13 The legislature also finds that these negative health
- 14 outcomes have not had an equal impact across racial and ethnic
- 15 groups. Lower income populations and people of color have
- 16 higher rates of chronic disease due to social determinants of
- 17 health, including food and housing insecurity, access to health



- 1 care issues, and lack of spaces for safe physical activity. The
- 2 coronavirus disease 2019 (COVID-19) pandemic has drawn attention
- 3 to and exacerbated these health and social inequities in Hawaii.
- 4 COVID-19 has most severely impacted Pacific Islander, Filipino,
- 5 and Native Hawaiian communities, who have the highest rates of
- 6 chronic disease. Additionally, regulations to mitigate viral
- 7 spread have created disparate economic hardships for these same
- 8 communities in Hawaii.
- 9 The legislature finds that many programs have been
- 10 implemented and many more proposed to address health inequities
- 11 within Hawaii's most vulnerable communities. These include the
- 12 Double up Food Bucks program, which allows families who
- 13 participate in the Supplemental Nutrition Assistance Program to
- 14 "double" their dollars when purchasing fresh locally-grown
- 15 produce and healthy proteins. The legislature also finds that
- 16 one of the most common barriers to enacting or sustaining
- 17 community-driven health initiatives is a lack of funding.
- 18 The legislature further finds that sugar-sweetened
- 19 beverages are the largest source of excess sugar in the American
- 20 diet, contributing excess calories with little to no nutritional
- 21 value. Sugary drink consumption is associated with negative



- 1 health effects, including obesity, diabetes, and cardiovascular
- 2 disease.
- 3 The legislature finds that, in an effort to improve health
- 4 and invest in health initiatives benefitting communities most
- 5 directly impacted by the negative health effects linked to
- 6 sugary drink consumption, at least nine jurisdictions in the
- 7 U.S. and more than fifty jurisdictions across the globe have
- 8 enacted a tax or fee on sugary drinks. The legislature further
- 9 finds that a fee on sugar-sweetened beverages is a viable model
- 10 to reduce consumption and generate revenue for the State to
- 11 support health, prevent chronic disease, and address root causes
- 12 of disparities in Hawaii. A 2017 study conducted by the Harvard
- 13 T.H. Chan School of Public Health and the department of health
- 14 found that a sugary drink fee has major cost-savings. Passage
- 15 of a two-cent per ounce sugar-sweetened beverage fee is
- 16 projected to result in lower levels of sugar-sweetened beverage
- 17 consumption, fewer cases of obesity, fewer deaths, and health
- 18 care savings greater than fifty-nine million dollars over a ten
- 19 year period. A two-cent per ounce fee is also projected to
- 20 raise as much as \$59,320,000 in 2022 according to the Rudd
- 21 Center Revenue Calculator for Sugary Drink Taxes.

- 1 Accordingly, the purpose of this Act is to enact a fee on
- 2 sugar-sweetened beverages in Hawaii to improve health and build
- 3 resiliency through investment in Hawaii's public health
- 4 infrastructure.
- 5 SECTION 2. This Act shall be known and cited as the
- 6 Healthy Ohana Act of 2022.
- 7 SECTION 3. Chapter 321, Hawaii Revised Statutes, is
- 8 amended by adding a new part to be appropriately designated and
- 9 to read as follows:
- 10 "PART . SUGAR-SWEETENED BEVERAGE FEE PROGRAM
- 11 §321-A Definitions. As used in this part, unless the
- 12 context otherwise requires:
- "Auditor" means the office of the auditor.
- "Bottle" means any closed or sealed container regardless of
- 15 size or shape, including but not limited to those made of glass,
- 16 metal, paper, plastic, or any other material or combination of
- 17 materials.
- 18 "Bottled sugar-sweetened beverage" means any sugar-
- 19 sweetened beverage contained in a bottle that is ready for
- 20 consumption without further processing, such as dilution or
- 21 carbonation.

"Caloric sweetener" means any substance containing calories 1 2 suitable for human consumption, that humans perceive as sweet, 3 and includes without limitation sucrose, fructose, glucose, 4 other sugars, or fruit juice concentrates. "Caloric sweetener" 5 excludes non-caloric sweeteners. 6 "Consumer" means a person who purchases a sugar-sweetened 7 beverage for direct consumption. 8 "Department" means the department of health. 9 "Dietary aids" means liquid products manufactured for use 10 as an oral nutritional therapy for persons who cannot absorb or 11 metabolize dietary nutrients from food or beverages; a source of 12 necessary nutrition used due to a medical condition; or an oral 13 electrolyte solution for infants and children formulated to 14 prevent dehydration due to illness. 15 "Director" means the director of health. 16 "Distributor" means any person, including a manufacturer or 17 a wholesale dealer, who receives, stores, manufactures, bottles,

or distributes bottled sugar-sweetened beverages, syrup, or

powder for sale to a retailer doing business in the State

whether or not that person is also a retailer.

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1 "Infant formula" means a food which purports to be or is represented for special dietary use solely as a food for infants 2 3 by reason of its simulation of human milk or its suitability as a complete or partial substitute for human milk. 4 5 "Milk without added caloric sweetener" means any beverage whose principal ingredient by weight is natural liquid milk, 6 7 which is secreted by an animal and consumed by humans, including natural liquid milk regardless of animal source or butterfat 8 9 content, or natural milk concentrate and dehydrated natural 10 milk, whether or not reconstituted. 11 "Milk substitute without added caloric sweetener" means a 12 plant-based beverage in which the principal ingredients by 13 weight are water and grains, nuts, legumes, or seeds. Milk 14 substitute includes but is not limited to soy milk, almond milk, 15 rice milk, coconut milk, oat milk, hazelnut milk, and flax milk. "Non-alcoholic beverage" means any beverage that contains 16 17 less than one-half of one per cent alcohol per volume. 18 "Non-caloric sweetener" means any substance that contains 19 fewer than five calories per serving, suitable for human 20 consumption, that humans perceive as sweet, and includes without 21 limitation aspartame, saccharin, stevia, and sucralose.

- 1 "Person" means any natural person, partnership, cooperative
- 2 association, limited liability company, corporation, personal
- 3 representative, receiver, trustee, assignee, or any other legal
- 4 entity.
- 5 "Powder" means any solid mixture of ingredients that
- 6 contains caloric sweetener, which is intended to be used in
- 7 making, mixing, or compounding a sugar-sweetened beverage by
- 8 combining the powder with one or more other ingredients.
- 9 "Retailer" means any person who sells or otherwise
- 10 dispenses in the State a sugar-sweetened beverage to a consumer
- 11 whether or not that person is also a distributor.
- "Sale" or "sell" means the transfer of title or possession
- 13 for valuable consideration regardless of the manner the transfer
- 14 is completed.
- 15 "Syrup" means a liquid mixture of ingredients that contains
- 16 caloric sweetener, which is intended to be used in making,
- 17 mixing, or compounding a sugar-sweetened beverage by combining
- 18 the syrup with any one or more other ingredients.
- 19 "Sugar-sweetened beverage" means any non-alcoholic
- 20 beverage, carbonated or noncarbonated, that is intended for

- 1 human consumption and contains any added caloric sweetener.
- 2 Sugar-sweetened beverages does not include:
- 3 (1) Beverages consisting of one hundred per cent fruit
- 4 juice or vegetable juice with no added caloric
- 5 sweetener;
- 6 (2) Milk without added caloric sweetener;
- 7 (3) Milk substitute without added caloric sweetener;
- 8 (4) Dietary aids; or
- 9 (5) Infant formula.
- 10 §321-B Registration required. (a) Every distributor
- 11 shall register with the department on forms to be prescribed,
- 12 prepared, and furnished by the department.
- 13 (b) No retailer shall sell at retail, or hold out or
- 14 display for sale at retail, any sugar-sweetened beverage
- 15 acquired by the retailer on or after June 30, 2023, unless the
- 16 sugar-sweetened beverage was acquired by the retailer from a
- 17 registered distributor in the State.
- 18 §321-C Sugar-sweetened beverage fee; payment; exemptions.
- 19 (a) Every distributor selling sugar-sweetened beverages in the
- 20 State shall pay the department a sugar-sweetened beverage fee
- 21 that is imposed at the following rates:

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1	(1)	Two cents per fluid ounce of bottled sugar-sweetened
2		beverages sold or offered for sale to a retailer for
3		sale in the State to a consumer: and

- (2) Two cents per fluid ounce of sugar-sweetened beverage that can be produced from syrup or powder, calculated according to the manufacturer's specifications for the use of the syrup or powder sold to a retailer for sale in the State to a consumer.
- 9 A distributor shall add the amount of the fee imposed 10 by this section to the price of sugar-sweetened beverages, syrups, and powders sold to a retailer, and the retailer shall 11 12 pass the amount of the fee through to a consumer as a component 13 of the final retail purchase price. The amount of the fee shall 14 be stated separately on all invoices, signs, sales or delivery 15 slips, bills, and statements that advertise or indicate the 16 price of such beverages, syrups, and powders.
- 17 (c) Every distributor or retailer liable for the fee
  18 imposed by this chapter shall file a form identifying all sales
  19 of sugar-sweetened beverages made during a period of time
  20 specified by the department and shall submit payment of the fee
  21 to the department. The form shall be prescribed by the

- 1 department and the form shall contain any information that the
- 2 department deems necessary for the proper administration of the
- 3 sugar-sweetened beverage fee program.
- 4 (d) The fee shall be deposited into the healthy ohana
- 5 special fund administered by the department.
- 6 (e) The following shall be exempt from the fee imposed by
- 7 this section:
- 8 (1) Bottled sugar-sweetened beverages, syrups, and powder
- 9 sold by a distributor or retailer expressly for resale
- or consumption outside the State; and
- 11 (2) Bottled sugar-sweetened beverages, syrups, and powder
- sold by a distributor to another distributor who is
- registered pursuant to section 321-B, if the sales
- invoice clearly indicates that the sale is exempt. If
- the sale is to a person who is both a distributor and
- a retailer, the sale shall also be exempt from the fee
- and the fee shall be paid when the purchasing
- distributor who is also a retailer resells the product
- to a retailer or a consumer. This exemption shall not
- apply to any other sale to a retailer.

1	§321	-D Healthy ohana special fund; established. (a)
2	There is	established in the state treasury the healthy ohana
3	special f	und, into which shall be deposited:
4	(1)	All revenues generated from sugar-sweetened beverage
5		fees as described under section 321-C;
6	(2)	All revenues collected from penalties pursuant to
7		section 321-K;
8	(3)	All interest and earnings accruing from the investment
9		of moneys in the fund; and
10	(4)	Appropriations by the legislature to the special fund.
11	(b)	The healthy ohana special fund shall be administered
12	by the de	partment. The moneys in the healthy ohana special fund
13	shall be	distributed and used as follows:
14	(1)	per cent shall be used by the department for
15		implementation and evaluation of the sugar-sweetened
16		beverage fee program;
17	(2)	per cent shall be used by the department for the
18		purposes of supporting primary prevention and chronic
19		disease prevention programs and supports, including
20		state obesity prevention and oral health promotion
21		services for Hawaii's ohana; and



1	(3) per cent shall be deposited into the healthy
2	ohana trust fund under section 321-E to be
3	administered by the department.
4	§321-E Healthy ohana trust fund; established. (a) There
5	is established the healthy ohana trust fund as a separate fund
6	of a nonprofit entity having a board of directors and qualifying
7	under section 501(c)(3) of the Internal Revenue Code of 1986, as
8	amended, into which shall be deposited moneys received as
9	provided under section 321-D(b)(3). The director, with the
10	concurrence of the governor, shall select, in accordance with
11	chapter 103D, the entity based upon the proven record of
12	accomplishment of the entity in administering a similar trust
13	fund.
14	(b) Notwithstanding that the healthy ohana trust fund is
15	established within a private entity, the department of budget
16	and finance shall have oversight authority over the fund and may
17	make periodic financial audits of the fund; provided that the
18	director of finance may contract with a certified public
19	accountancy firm for this purpose. The director, with the
20	concurrence of the governor, in the director's sole discretion
21	may rescind the selection of the entity. If the selection of



- 1 the entity is rescinded, moneys in the healthy ohana trust fund
- 2 shall revert back to the State and shall be deemed to be trust
- 3 moneys.
- 4 (c) The entity selected under subsection (a), for each
- 5 fiscal year, may expend up to ten per cent of the total market
- 6 value of the healthy ohana trust fund on the preceding June 30,
- 7 for the prevention and control of obesity and chronic disease on
- 8 behalf of families in Hawaii. These activities may include but
- 9 are not limited to comprehensive programs and methods to support
- 10 access to healthy food, active living and healthy eating, school
- 11 and work based health, nutrition and physical education, oral
- 12 health, programs supporting farm-to-school, locally grown, and
- 13 sustainable agriculture practices, school gardens, and obesity
- 14 and chronic disease prevention.
- (d) The healthy ohana trust fund may receive
- 16 appropriations, contributions, grants, endowments, or gifts in
- 17 cash or otherwise from any source, including the State,
- 18 corporations or other businesses, foundations, government,
- 19 individuals, and other interested parties; provided that any
- 20 appropriations made by the State to the healthy ohana trust fund
- 21 shall not supplant or diminish the funding of existing chronic

- 1 disease prevention programs or any health related programs
- 2 funded in whole or in part by the State.
- 3 (e) The assets of the healthy ohana trust fund shall
- 4 consist of:
- 5 (1) Moneys deposited pursuant to section 321-E(b)(3);
- 6 (2) Moneys appropriated to the healthy ohana trust fund by
- 7 the state, county, or federal government;
- **8** (3) Private contributions of cash or property; and
- 9 (4) Income and capital gains earned by the healthy ohana
- 10 trust fund.
- 11 (f) The aggregate principal sum deposited in the healthy
- 12 ohana trust fund shall be invested by the entity selected under
- 13 subsection (a) in a manner intended to maximize the rate of
- 14 return on investment of the healthy ohana trust fund consistent
- 15 with the objective of preserving the healthy ohana trust fund's
- 16 principal.
- 17 (g) If the entity selected under subsection (a) is
- 18 dissolved, the director, with the concurrence of the governor,
- 19 shall select a successor entity. If the healthy ohana trust
- 20 fund is terminated, the moneys remaining in the healthy ohana

- 1 trust fund shall revert back to the State and shall be deemed to
- 2 be trust moneys.
- 3 (h) The administration of the healthy ohana trust fund
- 4 shall be advised by the healthy ohana advisory committee created
- 5 under section 321-Q.
- 6 §321-F Records to be kept. Every distributor and
- 7 retailer, in addition to any requirements under chapter 321-G,
- 8 shall prepare or maintain documents involving sugar-sweetened
- 9 beverages, syrups, and powders, as required by the department.
- 10 §321-G Audit authority. The records of the distributor
- 11 and retailer shall be made available, upon request, for
- 12 inspection by the department, a duly authorized agent of the
- 13 department, or the auditor. Any proprietary information
- 14 obtained by them shall be kept confidential and shall not be
- 15 disclosed to any other person, except:
- 16 (1) As may be reasonably required in an administrative or
- judicial proceeding to enforce any provision of this
- chapter or any rule adopted pursuant to this chapter;
- 19 or
- 20 (2) Under an order issued by a court or administrative
- 21 agency hearings officer.

- 1 §321-H Contract for administrative services. The
- 2 department may contract the services of a third party to
- 3 administer the sugar-sweetened beverage fee program under this
- 4 part.
- 5 §321-I Management and financial audit. The auditor shall
- 6 conduct a management and financial audit of the sugar-sweetened
- 7 beverage fee program for fiscal year 2023 to 2024 and fiscal
- 8 year 2024 to 2025, and for each fiscal year thereafter ending in
- 9 an odd-numbered year. The auditor shall submit the audit report
- 10 to the legislature and the department no later than twenty days
- 11 prior to the convening of the next regular session. The auditor
- 12 may contract the audit services of a third party to conduct the
- 13 audit.
- 14 §321-J Administration by director; rules. (a) The
- 15 department shall adopt rules pursuant to chapter 91 to
- 16 effectuate the purposes of this part.
- 17 (b) No later than June 30, 2023, the department shall
- 18 adopt interim rules, which shall be exempt from chapters 91 and
- 19 201M, to effectuate the purposes of this part; provided that the
- 20 interim rules shall remain in effect until, January 1, 2025, or

- 1 until rules are adopted pursuant to subsection (a), whichever
- 2 occurs sooner.
- 3 §321-K Civil penalties. (a) Any person subject to this
- 4 part who:
- 5 (1) Fails to pay the entire fee imposed by this part by
- 6 the date that payment is due;
- 7 (2) Fails to register as a distributor as required by
- 8 section 321-B;
- 9 (3) Fails to file a form that identifies all sales of
- sugar-sweetened beverages during the time specified by
- the department as required by section 321-C;
- 12 (4) Fails to make payment to the department at the time
- specified by the department as required by section
- 14 321-C;
- 15 (5) Fails to prepare or maintain records required by this
- 16 part; or
- 17 (6) Violates any other provision of this part,
- 18 shall be liable for the amount of the fee that is due, a penalty
- 19 equal to fifty percent of the fee due, and additional
- 20 administrative fees and costs incurred by the department.



- 1 (b) The director, or the director's duly authorized
- 2 representative, may determine the amount of the fee and the
- 3 penalty due under subsection (a) in the event of any nonpayment
- 4 or underpayment and demand payment of all sugar-sweetened
- 5 beverage fees and penalties. Interest shall accrue on
- 6 nonpayment or underpayment of the fee at a rate of eight per
- 7 cent per year from the date the fee was due, until paid. The
- 8 director shall have the authority to revoke the distributor
- 9 registration as a penalty under subsection (a).
- 10 (c) Any criminal penalties for any violation of this part
- 11 shall not be deemed to preclude the State from recovering
- 12 additional civil penalties.
- 13 §321-L Enforcement. (a) If the director determines that
- 14 the sugar-sweetened beverage fee, penalties, or interest are
- 15 due, the director shall notify the person of the amount by
- 16 certified mail.
- 17 (b) Any notice issued under subsection (a) shall become
- 18 final, unless no later than thirty days after the notice is
- 19 mailed, the person named therein requests in writing a hearing
- 20 before the director. Whenever a hearing is requested, the
- 21 amount owed shall become payable only upon completion of all



- 1 review proceedings and the issuance of a final order confirming
- 2 the fee, interest, and penalty in whole or in part. Upon
- 3 request for a hearing, the director shall require the requestor
- 4 to appear before the director for a hearing at the time and
- 5 place specified in a notice.
- 6 (c) Any hearing conducted under this section shall be
- 7 conducted as a contested case under chapter 91. If, after a
- 8 hearing held pursuant to this section, the director finds that
- 9 all or a portion of the fee, interest, or penalty is due, the
- 10 director shall take action to collect the amount due as provided
- 11 by subsection (d).
- 12 (d) If the amount of any fee, interest, or penalty is not
- 13 paid to the department within thirty days after it becomes due
- 14 and payable, the director may institute a civil action in the
- 15 name of the State to collect the fee, interest, and penalty. In
- 16 any proceeding to collect the fee, interest, or penalty imposed,
- 17 the director need only show that:
- 18 (1) Notice was given;
- 19 (2) A hearing was held, or the time granted for requesting
- 20 a hearing expired without a request for a hearing;
- 21 (3) The fee, interest, or penalty was imposed; and



- 1 (4) The fee, interest, or penalty remains unpaid.
- 2 (e) In connection with any hearing held pursuant to this
- 3 section, the director shall have the power to subpoena the
- 4 attendance of witnesses and the production of evidence on behalf
- 5 of all parties.
- 6 §321-M Distribution of revenues. One hundred per cent of
- 7 revenues collected from the sugar-sweetened beverage fee,
- 8 interest payments, and penalty payments imposed pursuant to this
- 9 part shall be paid to the healthy ohana special fund,
- 10 established in section 321-D.
- 11 §321-N Evaluation. The department shall develop criteria
- 12 and components for an independent evaluation to assess the
- 13 impact of the fee imposed by this part on consumption of
- 14 products subject to the fee established by this part. The
- 15 evaluation shall seek to determine the impact of the fee on
- 16 sugar-sweetened beverage prices, consumer purchasing behavior,
- 17 and health outcomes. The reasonable costs of evaluation shall
- 18 be paid from the healthy ohana special fund and be considered an
- 19 implementation cost of this part.
- 20 §321-0 Costs. The costs to implement this part may
- 21 include:



1	(1)	Administrative, contractual, audit, independent
2		evaluation, and compliance activities associated with
3		collection and payment of the sugar-sweetened beverage
4		fee program;
5	(2)	Personnel to implement the sugar-sweetened beverage
6		fee program;
7	(3)	Communication and education activities to inform the
8		public and distributors about the sugar-sweetened
9		beverage fee; and
10	(4)	Associated office expenses.
11	§321	-P Annual reports. The department shall provide
12	annual re	ports on the sugar-sweetened beverage fee program to
13	the legis	lature and the governor no later than twenty days prior
14	to the co	nvening of each regular session for the period
15	beginning	when the program is in effect following the adoption
16	of rules p	pursuant to section 321-J. The reports shall contain:
17	(1)	Measures of effectiveness;
18	(2)	Amounts of revenues collected in the prior fiscal
19		year;
20	(3)	Distributions and expenditures from the healthy ohana
21		special fund in the prior fiscal year; and



- 1 (4) Description of program activities.
- 2 If administration of the program is contracted to a third party
- 3 pursuant to section 321-H, a copy of the contract shall be
- 4 appended to the next applicable report, and the contractor shall
- 5 abide by these reporting requirements as well.
- 6 §321-Q Healthy ohana advisory committee. (a) There is
- 7 established a healthy ohana trust fund advisory committee under
- 8 the department for administrative purposes.
- 9 (b) Members of the committee shall:
- 10 (1) Be appointed by the director, and shall serve at the
- director's pleasure; and
- 12 (2) Have background and expertise in chronic disease
- prevention.
- 14 (c) The healthy ohana advisory committee shall advise the
- 15 department on the administration of the healthy ohana trust
- 16 fund.
- 17 (d) The healthy ohana advisory committee, in collaboration
- 18 with the department, shall develop a strategic plan for chronic
- 19 disease prevention, including:
- 20 (1) Developing and implementing effective and cost
- 21 efficient policies and programs, including health



1		promotion and disease prevention with an emphasis to
2		improve health equity and to reach remote, vulnerable,
3		and underserved populations;
4	(2)	Developing adequate standards and benchmarks by which
5		measures of chronic disease prevention policies and
6		programs may be appropriately evaluated; and
7	(3)	Assessing the effectiveness of policies and programs
8		engaged in chronic disease prevention.
9	(d)	A simple majority of the committee members shall
10	constitut	e quorum."
11	SECT	ION 4. There is appropriated out of the general
12	revenues	of the State of Hawaii the sum of \$250,000 or so much
13	thereof necessary for fiscal year 2022-2023, to be deposited	
14	into the	healthy ohana special fund established pursuant to
15	section 321-D, Hawaii Revised Statutes.	
16	SECT	ION 5. There is appropriated out of the healthy ohana
17	special fund the sum of \$250,000 or so much thereof as may be	
18	necessary	for fiscal year 2022-2023 to carry out the purposes of
19	this Act,	including the establishment, hiring, and filling of
20	positions	and contractors.

- 1 The sum appropriated shall be expended by the department of
- 2 health for the purposes of this Act.
- 3 SECTION 6. No later than July 1, 2024, the department of
- 4 health shall establish a repayment plan and schedule to repay to
- 5 the general fund, the sum deposited into the healthy ohana
- 6 special fund established pursuant to section 321-D, Hawaii
- 7 Revised Statutes, established by this Act. The department of
- 8 health shall only use moneys from the healthy ohana special fund
- 9 to repay the general fund.
- 10 SECTION 7. No later than March 15, 2023, the director of
- 11 health, or the director's designee, shall submit a report and
- 12 provide an informational briefing to the legislature concerning
- 13 the progress of implementing this Act, including the status of
- 14 rulemaking by the department of health pertaining to the sugar-
- 15 sweetened beverage fee program.
- 16 SECTION 8. For the purposes of effectuating this Act, the
- 17 personnel hired and the contracts entered into by the department
- 18 of health, pursuant to this Act, shall be exempt from chapter
- 19 76, Hawaii Revised Statutes, for a period beginning on July 1,
- 20 2022, and ending on June 30, 2024; provided that:

1	(1)	All personnel actions taken pursuant to this Act by
2		the department of health after June 30, 2024, shall be
3		subject to chapter 76, Hawaii Revised Statutes, as
4		appropriate; and
5	(2)	Any employee hired by the department of health to
6		effectuate this Act, who occupies a position exempt
7		from civil service on July 1, 2024, shall:
8		(A) Be appointed to a civil service position; and
9		(B) Not suffer any loss of prior service credit,
10		vacation or sick leave credits previously earned
11		or other employee benefits or privileges;
12		provided that the employee possesses the minimum
13		qualifications and public employment requirements for
14		the class or position to which appointed; provided
15		further that subsequent changes in status shall be
16		made pursuant to applicable civil service and
17		compensation laws.
18	SECT	ION 9. If any provision of this Act, or the
19	application	on thereof to any person or circumstance, is held
20	invalid,	the invalidity does not affect other provisions or
21	application	ons of the Act that can be given effect without the



- 1 invalid provision or application, and to this end the provisions
- 2 of this Act are severable.
- 3 SECTION 10. In codifying the new sections added by section
- 4 3 of this Act, the revisor of statutes shall substitute
- 5 appropriate section numbers for the letters used in designating
- 6 the new sections in this Act.
- 7 SECTION 11. This Act shall take effect on July 1, 2022.

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INTRODUCED BY: Beneath & Weigh

#### Report Title:

Healthy Ohana; Sugar-Sweetened Beverage Fee Program; Special Fund; Trust Fund; Advisory Committee; Appropriation

#### Description:

Imposes a fee for selling sugar-sweetened beverages at the distributor level. Creates a special fund and trust fund into which revenues are deposited, the proceeds of which shall fund programs to prevent obesity and chronic disease for Hawaii's Ohana. Establishes the healthy ohana advisory committee. Makes appropriations.

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