
A BILL FOR AN ACT

RELATING TO FUNDING FOR THE DEPARTMENT OF THE ATTORNEY GENERAL
TOBACCO ENFORCEMENT UNIT.

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

1 SECTION 1. The legislature finds that the tobacco
2 enforcement special fund supports the tobacco enforcement unit
3 to administer, monitor, and enforce the tobacco master
4 settlement agreement and related Hawaii laws, including chapters
5 486P and 675, Hawaii Revised Statutes. Section 28-15(c), Hawaii
6 Revised Statutes, currently mandates that moneys in excess of
7 \$500,000 remaining in the tobacco enforcement special fund at
8 the close of each fiscal year lapse to the credit of the state
9 general fund. Section 245-26(a)(2), Hawaii Revised Statutes,
10 transfers a percentage of the cigarette tax stamp fee into the
11 tobacco enforcement special fund. Section 328L-2, Hawaii
12 Revised Statutes, mandates that, of all the tobacco settlement
13 moneys received by the State in each fiscal year, the first
14 \$350,000 of those moneys be deposited in the state treasury to
15 the credit of the tobacco enforcement special fund.



1 The amounts of the cigarette tax stamp revenues deposited
2 into the tobacco enforcement special fund have noticeably
3 dropped in recent years. This trend is expected to continue.
4 To maintain the tobacco enforcement unit's diligent enforcement
5 efforts and to minimize the risk of losing the master settlement
6 agreement annual payments, it is critical that the unit receive
7 adequate and continuous funding.

8 Accordingly, the purpose of this Act is to stabilize and
9 increase funding for the tobacco enforcement unit within the
10 department of the attorney general by increasing:

- 11 (1) The amount of funds that the tobacco enforcement
12 special fund may carry over at the end of the fiscal
13 year;
- 14 (2) The cigarette tax stamp fee and the percentage of that
15 fee allotted to the tobacco enforcement special fund;
16 and
- 17 (3) The sum of moneys received from the tobacco
18 settlement, as set forth in sections 28-15(c),
19 245-26(a), and 328L-2(a), Hawaii Revised Statutes.

20 SECTION 2. Section 28-15, Hawaii Revised Statutes, is
21 amended by amending subsection (c) to read as follows:



1 "(c) All unencumbered and unexpended moneys in excess of
2 [~~\$500,000~~] \$750,000 remaining on balance in the tobacco
3 enforcement special fund at the close of June 30 of each year
4 shall lapse to the credit of the state general fund."

5 SECTION 3. Section 245-26, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) Stamps shall be sold at their denominated values,
8 plus a stamp fee of [~~1.7~~] 2.2 per cent of the denominated value
9 of each stamp sold, composed of the aggregate of:

10 (1) .2 per cent of the denominated value of the stamp to
11 pay for the cost to the State of providing the stamps,
12 with that amount to be deposited to the credit of the
13 department of taxation's cigarette tax stamp
14 administrative special fund; and

15 (2) [~~1.5~~] 2.0 per cent of the denominated value of the
16 stamp to pay for the cost of enforcing the stamp tax,
17 with that amount to be deposited to the credit of the
18 department of the attorney general's tobacco
19 enforcement special fund;



1 provided that the department by rule may modify the stamp fee to
2 reflect actual costs incurred by the State in providing the
3 stamps."

4 SECTION 4. Section 328L-2, Hawaii Revised Statutes, is
5 amended by amending subsection (a) to read as follows:

6 "(a) There is established in the state treasury the Hawaii
7 tobacco settlement special fund into which shall be deposited:

- 8 (1) All tobacco settlement moneys; and
- 9 (2) All interest and earnings accruing from the investment
10 of moneys in the fund;

11 provided that of all tobacco settlement moneys received by the
12 State each fiscal year, the sum representing the first
13 [~~\$350,000~~] \$750,000 of those moneys shall first be deposited in
14 the state treasury in each fiscal year to the credit of the
15 tobacco enforcement special fund. The Hawaii tobacco settlement
16 special fund shall be administered by the department."

17 SECTION 5. Statutory material to be repealed is bracketed
18 and stricken. New statutory material is underscored.

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



Report Title:

Cigarette Tax Stamp Fees; Tobacco Enforcement Special Fund;
Hawaii Tobacco Settlement Special Fund

Description:

Increases and stabilizes the amount of funding for the tobacco enforcement special fund within the Department of the Attorney General by: (1) increasing the amount of funds that the tobacco enforcement special fund may carry over at the end of the fiscal year; (2) increasing the cigarette tax stamp fee and concurrently increasing the percentage of the cigarette tax stamp fee deposited to the tobacco enforcement special fund; and (3) amending the amount of funds to be deposited in the tobacco enforcement special fund from the Hawaii tobacco settlement special fund. Effective 7/1/2050. (SD1)

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

