

STAND. COM. REP. NO. **691**

Honolulu, Hawaii
, 2023

FEB 17

RE: H.B. No. 982
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirty-Second State Legislature
Regular Session of 2023
State of Hawaii

Sir:

Your Committee on Judiciary & Hawaiian Affairs, to which was referred H.B. No. 982, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FUNDING FOR THE DEPARTMENT OF THE ATTORNEY GENERAL TOBACCO ENFORCEMENT UNIT,"

begs leave to report as follows:

The purpose of this measure is to stabilize and increase funding for the Tobacco Enforcement Unit within the Department of the Attorney General by amending:

- (1) The amount of funds that the Tobacco Enforcement Special Fund may carry over at the end of each fiscal year;
- (2) The Cigarette Tax Stamp Fee and the percentage of that fee allotted to the Tobacco Enforcement Special Fund;
and
- (3) The sum of monies received from the Tobacco Master Settlement Agreement annual payment to the Tobacco Enforcement Special Fund.

Your Committee received testimony in support of this measure from the Department of the Attorney General, Department of Health, Department of Taxation, Hawai'i Primary Care Association, American Cancer Society Cancer Action Network, and Coalition for a Tobacco-

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Free Hawai'i. Your Committee received testimony in opposition to this measure from the Hawaii Smokers Alliance and three individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii.

Your Committee finds that the Tobacco Enforcement Special Fund supports the Department of the Attorney General's Tobacco Enforcement Unit, which administers, monitors, and enforces the Tobacco Master Settlement Agreement and related laws. Your Committee further finds that amounts of the cigarette tax stamp revenues deposited into the Tobacco Enforcement Special Fund have dropped noticeably in recent years, with the downward trend expected to continue. This measure ensures that the Tobacco Enforcement Special Fund contains sufficient amounts to maintain the Tobacco Enforcement Unit's ability to diligently enforce the Tobacco Master Settlement Agreement, remain in compliance as a settling state, and not jeopardize annual settlement agreement payments to the State.

Your Committee respectfully requests your Committee on Finance, should it deliberate on this measure, to consider the testimony from the Department of the Attorney General requesting increasing the amount of funds that the Tobacco Enforcement Special Fund can carry over at the end of the fiscal year to \$750,000; increasing the amount of tobacco settle monies deposited in the Tobacco Enforcement Special Fund to \$750,000; and inserting an effective date of July 1, 2023.

As affirmed by the record of votes of the members of your Committee on Judiciary & Hawaiian Affairs that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 982, H.D. 1, and recommends that it be referred to your Committee on Finance.



Respectfully submitted on
behalf of the members of the
Committee on Judiciary &
Hawaiian Affairs,



DAVID A. TARNAS, Chair



State of Hawaii
House of Representatives
The Thirty-second Legislature

HSCR 691

Record of Votes of the Committee on Judiciary & Hawaiian Affairs

Bill/Resolution No.: HB982, HD1	Committee Referral: HLT, JHA, FIN	Date: 2/15/2023		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JHA Members	Ayes	Ayes (WR)	Nays	Excused
1. TARNAS, David A. (C)	/			
2. TAKAYAMA, Gregg (VC)	/			
3. GANADEN, Sonny	/			
4. HOLT, Daniel	/			
5. HASHIMOTO, Troy N.	/			
6. ICHIYAMA, Linda				/
7. ILAGAN, Greggor	/			
8. KONG, Sam Satoru	/			
9. MIZUNO, John M.	/			
10. SOUZA, Kanani	/			
TOTAL (10)	9	-	-	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small>committee acronym(s)</small>				
Vice Chair's or designee's signature: _____ 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				