STAND. COM. REP. NO.

Honolulu, Hawaii

MAR 0 3 2023

RE: S.B. No. 1280 S.D. 1

Honorable Ronald D. Kouchi President of the Senate Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committees on Ways and Means and Judiciary, to which was referred S.B. No. 1280 entitled:

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

beg leave to report as follows:

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

More specifically, this measure increases the:

- Amount of funds that the Tobacco Enforcement Special Fund may carry over at the end of each fiscal year;
- (2) Cigarette tax stamp fee and the percentage of that fee allotted to the Tobacco Enforcement Special Fund; and
- (3) Sum of moneys received from the tobacco settlement as set forth in sections 28-15(c), 245-26(a), and 328L-2(a), Hawaii Revised Statutes.



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Your Committees received written comments in support of this measure from the Department of the Attorney General, Department of Health, Department of Taxation, American Cancer Society Cancer Action Network, Hawaii Public Health Institute, and Hawaii Primary Care Association.

Your Committees received written comments in opposition to this measure from three individuals.

Your Committees received written comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that the Tobacco Enforcement Special Fund supports efforts of the Tobacco Enforcement Unit of the Department of the Attorney General's to administer, monitor, and enforce the Tobacco Master Settlement Agreement and related Hawaii laws, including Chapters 486P and 675, Hawaii Revised Statutes. Your Committees also find that, pursuant to section 245-26(a) (2), Hawaii Revised Statutes, the Tobacco Enforcement Special Fund is partially funded by the cigarette tax stamp fee. However, the amounts of the cigarette tax stamp revenues deposited into the Tobacco Enforcement Special Fund have noticeably dropped in recent years. Your Committees further find that, to maintain the Tobacco Enforcement Unit's diligent enforcement efforts and to minimize the risk of losing the Master Settlement Agreement annual payments, it is critical that the unit receive adequate and continuous funding.

Your Committees have amended this measure by:

- Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive amendments for purposes of clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Ways and Means and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1280, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1280, S.D. 1.



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Respectfully submitted on behalf of the members of the Committees on Ways and Means and Judiciary,

DONOVAN M. DELA CRUZ, Char

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KARL RHOADS, Chair



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Record of Votes Committee on Ways and Means WAM

Bill / Resolution No.:*	Committee Referral: HHS, WAM JDC			Date: 3/3/2-3				
The Committee is reconsidering its previous decision on this measure.								
The Recommendation is:								
Pass, unamended X Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (WR)) Nay	Excused			
DELA CRUZ, Donovan M. (C)		X						
KEITH-AGARAN, Gilbert S.C. (VC)		X						
AQUINO, Henry J.C.		X						
DECOITE, Lynn		X						
INOUYE, Lorraine R.		X						
KANUHA, Dru Mamo		X						
KIDANI, Michelle N.		X						
KIM, Donna Mercado		X						
LEE, Chris		ΎΧ						
MORIWAKI, Sharon Y.		X						
SHIMABUKURO, Maile S.L.		X X						
WAKAI, Glenn		X						
FEVELLA, Kurt					X			
TOTAL		12			1			
Recommendation:								
Chair's or Designee's Signature:								
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy								

*Only one measure per Record of Votes

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Record of Votes Committee on Judiciary JDC

Bill / Resolution No.:*	Committee Referral:			Date:				
513 1280	HHS, VAM /JDC			3 3 23				
The Committee is reconsidering its previous decision on this measure.								
If so, then the previous decision was to:								
The Recommendation is:								
Pass, unamended Pass, with amendments Hold Recommit 2312 2311 2310 2313								
Members		Aye	Aye (W	R)	Nay	Excused		
RHOADS, Karl (C)		V						
GABBARD, Mike (VC)								
ELEFANTE, Brandon J.C.								
SAN BUENAVENTURA, Joy A	l							
AWA, Brenton			_					
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TOTAL								
Recommendation:	/							
Adopted Not Adopted								
Chair's or Designed's Signature:								
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*Only <u>one</u> measure per Record of Votes