STAND. COM. REP. NO. 1066 -24

Honolulu, Hawaii

MAR 01 , 2024

RE: H.B. No. 2341 H.D. 2

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2024 State of Hawaii

Sir:

Your Committee on Finance, to which was referred H.B. No. 2341, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO FUNDING FOR THE TOBACCO ENFORCEMENT SPECIAL FUND,"

begs leave to report as follows:

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

- (1) The ceiling for the Tobacco Enforcement Special Fund from \$500,000 to \$750,000;
- (2) The cigarette tax stamp fee and the percentage of the cigarette tax stamp fee value deposited to the Tobacco Enforcement Special Fund; and
- (3) The amount to be deposited to the credit of the Tobacco Enforcement Special Fund from tobacco settlement monies.

Your Committee received testimony in support of this measure from the Department of Health; Coalition for a Tobacco-Free Hawai'i; and American Cancer Society Cancer Action Network. Your Committee received testimony in opposition to this measure from the Hawaii Smokers Alliance and two individuals. Your Committee

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received comments on this measure from the Department of the Attorney General; Department of Taxation; and Tax Foundation of Hawaii.

Your Committee has amended this measure by:

- Establishing a stamp fee floor inventory tax on the stock inventory of stamps held by licensees before any increase in the stamp fee under the cigarette and tobacco tax laws is assessed and levied;
- (2) Changing the ceiling for the Tobacco Enforcement Special Fund to an unspecified amount;
- Changing the cigarette tax stamp fee and the percentage of the cigarette tax stamp fee deposited to the Tobacco Enforcement Special Fund to unspecified percentages;
- Changing the amount to be deposited to the credit of the Tobacco Enforcement Special Fund from tobacco settlement monies to an unspecified amount; and
- Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2341, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as H.B. No. 2341, H.D. 2.

> Respectfully submitted on behalf of the members of the Committee on Finance,

KYLE T. YAMASHITA, Chair

State of Hawaii House of Representatives The Thirty-second Legislature

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Record of Votes of the Committee on Finance

Bill/Resolution No.: HB 2341 HD1	Committee Referral: HLT, FIN		Date: 02 28 2024	
The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle T. (C)			Alter Man 196	
2. KITAGAWA, Lisa (VC) 3. AIU, Micah P.K.		Mark Company	Lancing and the second	
 AIU, Micah P.K. CHUN, Cory M. 		2294 Sept. 1994		
5. COCHRAN, Elle		The state of the state of		
6. GARRETT, Andrew Takuya				V
7. KAHALOA, Kirstin	V			
8. KILA, Darius K.				
9. KOBAYASHI, Bertrand				
10. LAMOSAO, Rachele F.11. MORIKAWA, Dee		E-Market - State - Sta		
12. NISHIMOTO, Scott Y.				
13. POEPOE, Mahina				
14. TAKENOUCHI, Jenna	V		F. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1. 1.	SUCCESSION OF SU
15. ALCOS III, David				
16. WARD, Gene				
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TOTAL (16)	13	D	0	3
The recommendation is: Adopted	□ Not Adopted	<u> </u>		
If joint referral, did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				