

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



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:

- (1) 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;
- (3) 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;
- (4) Changing the amount to be deposited to the credit of the Tobacco Enforcement Special Fund from tobacco settlement monies to an unspecified amount; and
- (5) 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



