

TAX FOUNDATION OF HAWAII

735 Bishop Street, Suite 417

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO. Remove Proviso to Earmark to Hawai'i Cancer Research Special Fund

BILL NUMBER: HB 2160; SB 2915

INTRODUCED BY: HB by GARRETT, AMATO, CHUN, EVSLIN, GRANDINETTI, ILAGAN, KILA, KUSCH, LEE, M., MARTEN, MIYAKE, OLDS, POEPOE, QUINLAN, TAKAYAMA, TARNAS, WOODSON; SB by MORIWAKI

EXECUTIVE SUMMARY: Repeals the requirement that a certain amount received from the cigarette tax on the wholesale price of each article or item of certain tobacco products deposited into the Hawai'i Cancer Research Special Fund must be used for debt service of capital expenditures and building maintenance. Appropriates funds for the University of Hawai'i Cancer Center.

SYNOPSIS: Amends section 245-3(a)(12)(A), HRS, to remove the proviso to the earmark of 4 cents per cigarette in favor of the Hawaii cancer research special fund. The proviso required that the earmarked funds be used exclusively for debt service until June 30, 2030, and that 50% of the earmarked funds be used for debt service thereafter.

EFFECTIVE DATE: July 1, 2026.

STAFF COMMENTS: The question that should be asked is what is the purpose of the tobacco tax. If the goal is to make people stop smoking by making it cost-prohibitive to smoke, then (a) it's working, as hikes in the cigarette tax have begun to exert downward pressure on collections not only locally but also nationally, but (b) it shouldn't be expected to raise revenue, because of (a). If the goal is really to stop the behavior, why are we not banning it?

As the Foundation's previous President, Lowell Kalapa, wrote in the Tax Foundation of Hawaii's weekly commentary on October 28, 2012:

Lawmakers seem to have a simplistic reaction to solving problems the solution to which plagues their constituents – tax it.

Probably the best example is what people like to call sin taxes, those excise taxes that are levied on tobacco and alcohol products. After all, smoking causes cancer and alcohol causes all sorts of problems including driving under the influence. Lawmakers and community advocates shake their heads and push for higher tax rates, arguing that making these products more expensive will deter folks from using these products.

The problem is that lawmakers also like the revenues that are generated from the sales of these products, and, in some cases, they have tried to link the use and sale of these products with noble causes such as the funding of the Cancer Research

Center that is currently being built. Again, the argument is that smokers should pay for programs and projects which seek to cure the related ill which in this case is cancer caused by smoking.

The irony is that arguments to increase the tax on tobacco and, more specifically, cigarettes, is a goal of getting smokers to quit while depending on the revenues from tobacco and cigarette taxes to fund an ongoing program, in this case the Cancer Research Center. So, which is it folks, stop smokers from smoking and if successful, there won't be any revenues to fund the Cancer Research Center?

The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes are influencing smokers as tax collections on the sale of cigarettes have fallen. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases were made via mail order from exempt Indian reservation outlets while others may be what is called gray market purchases, that is from sources outside the country.

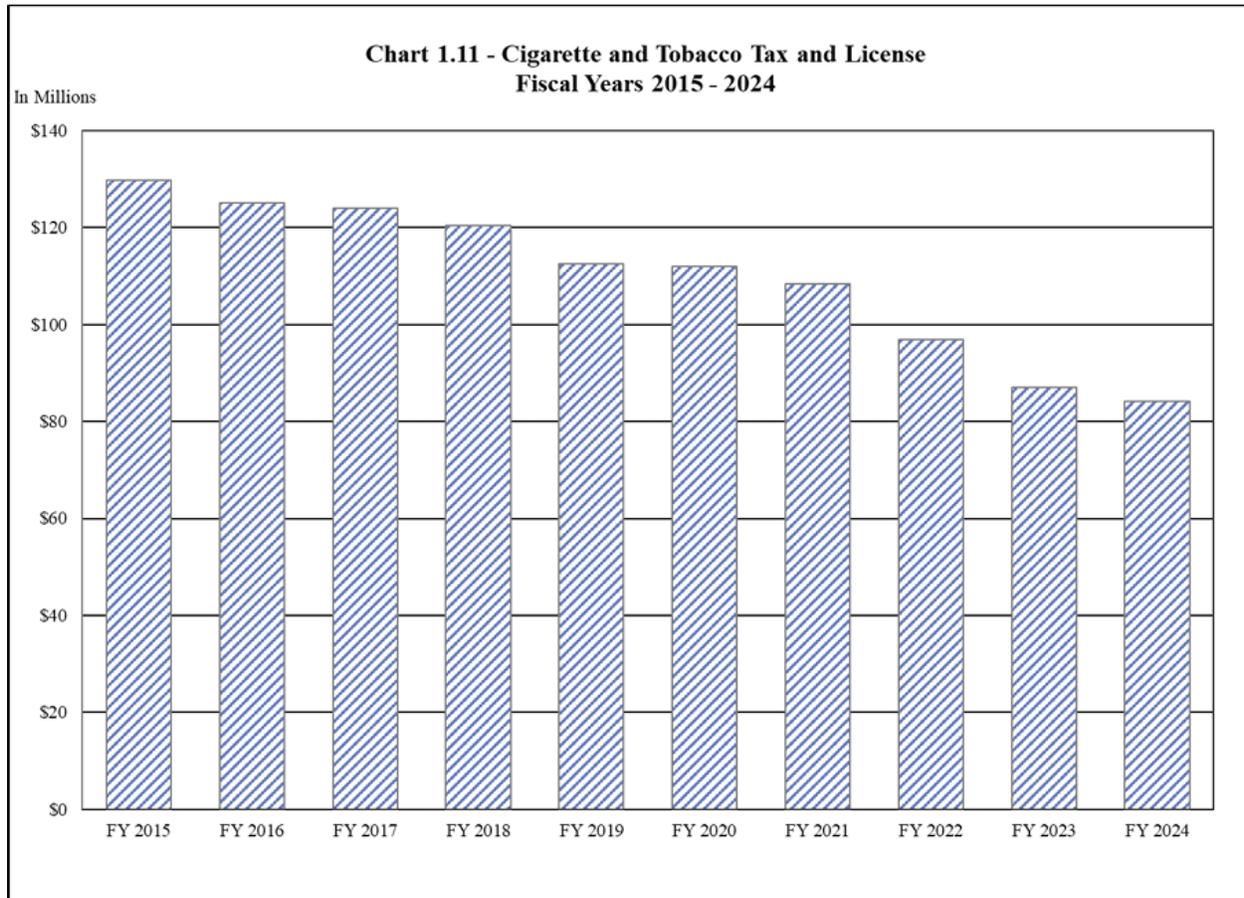
What should come as a surprise is that most of the folks who have quit are of some means as they are more likely to recognize the health hazard caused by use of this product. That means most of those who are still smoking are among the lower-income members of our community. Thus, the tax is regressive, generating less and less collections from middle and higher-income individuals.

Kalapa, "Finding the Blame for What Ails You," at <https://www.tfhawaii.org/wordpress/-blog/2012/10/finding-the-blame-for-what-ails-you/> (Oct, 28, 2012).

As predicted, programs that have been fed by earmarks from the tobacco tax, like the Cancer Research Center, have become a victim of the success of tobacco cessation programs and publicity. Revenues produced by the tobacco tax have been in steady decline over the past few years despite tax rate increases, as the following chart shows, and hoisting the smoking age to 21 in the 2015 session certainly didn't reverse the trend.

This bill removes provisos to a previously established tax earmark, allowing the recipient additional freedom to spend the money earmarked.

An even better idea would be to remove the earmark altogether and appropriate the money to the Cancer Center.



Source: Department of Taxation Annual Report (2023-2024), page 24.

Fiscal reliance on funds from a sin tax is inadvisable, perhaps outright dangerous. If the goal is to affect social behavior, use of the tax law is not the most effective way to do so.

Digested: 2/4/2026



Hawaii Medical Association

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HOUSE COMMITTEE ON HEALTH

Representative Gregg Takayama, Chair
Representative Sue Keohokapu-Lee Loy, Vice Chair

Date: February 6, 2026

From: Hawaii Medical Association (HMA)

Elizabeth Ann Ignacio MD - Chair, HMA Public Policy Committee

Christina Marzo MD and Robert Carlisle MD, Vice Chairs, HMA Public Policy Committee

RE HB 2160 RELATING TO CANCER - Cigarette Tax; Hawai'i Cancer Research Special Fund; Revenue; Disposition; Debt Services; Capital Expenditures; University of Hawai'i Cancer Center; Appropriation.

Position: **Support**

This measure would repeal the requirement that a certain amount received from the cigarette tax on the wholesale price of each article or item of certain tobacco products deposited into the Hawai'i Cancer Research Special Fund must be used for debt service of capital expenditures and building maintenance, and appropriate funds for the University of Hawai'i Cancer Center.

HMA supports this measure to allow critical investment in cancer research, prevention, and treatment infrastructure. There are profound challenges faced by Hawaii patients and families navigating cancer care, and this bill ensures that funding can be directed toward frontline research and care. By empowering the University of Hawaii Cancer Center, this measure strengthens local capacity to study cancer causes, innovate treatments, and improve outcomes for Hawaii's diverse populations.

Thank you for allowing the Hawaii Medical Association to submit testimony in support of this measure.

REFERENCES AND QUICK LINKS

University of Hawai'i Cancer Center. *UH Cancer Center 2024–2028 Strategic Plan*. University of Hawai'i Cancer Center, 2024, <https://www.uhcancercenter.org/pdf/about/UHCancerCenter%202024-2028%20Strategic%20Plan.pdf>

UH Cancer Center studies point to smarter 'next-step' use of antibody-drug treatment. *University of Hawai'i at Mānoa News*, 12 Dec. 2025, <https://manoa.hawaii.edu/news/article.php?ald=14291>

2026 Hawaii Medical Association Public Policy Coordination Team

Elizabeth A Ignacio, MD, Chair • Robert Carlisle, MD, Vice Chair • Christina Marzo, MD, Vice Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

2026 Hawaii Medical Association Officers

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House Committee on Health
Rep. Gregg Takayama, Chair
Rep. Sue L. Keohokapu-Loy, Vice Chair

House Committee on Human Services and Homelessness
Rep. Lisa Marten, Chair
Rep. Ikaika Olds, Vice Chair

Hearing Date: Friday, February 6, 2026

ACS CAN SUPPORTS HB 2160 – RELATING TO CANCER.

Cynthia Au, Government Relations Director – Hawai'i Guam
American Cancer Society Cancer Action Network

Thank you for the opportunity to **SUPPORT** HB 2160 – RELATING TO CANCER. which restores the Cancer Center's ability to use the funds already dedicated to lifesaving cancer research, prevention, and community outreach.

The American Cancer Society Cancer Action Network (ACS CAN), the nonprofit, non-partisan advocacy affiliate of the American Cancer Society advocates for public policies that reduce death and suffering from cancer. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

ACS CAN supports increased funding for the University of Hawai'i Cancer Center (UH Cancer Center). This year, more than 9,000 residents from Hawai'i will be diagnosed with cancer, and more than 2,700 residents expected to die from the disease. Cancer doesn't wait—and our funding shouldn't either. Today, millions of dollars sit unused in an account intended for cancer research and community impact. Because of a restriction passed last year, these funds cannot currently be used to support the clinical trials, outreach programs, and scientific work that save lives.

In Hawai'i, one in two people will face cancer in their lifetime. We must ask ourselves: Do we want to treat more cancers after they occur—or prevent them altogether? The University of Hawai'i Cancer Center is uniquely equipped to do both.

State support has helped the Cancer Center achieve real, measurable outcomes. Since 2022, the Center has nearly doubled its federal research funding—from \$18 million to \$33 million. That growth happened because Hawai'i invested in the people, infrastructure, and scientific excellence needed to compete nationally.

The Cancer Center is not asking for additional state dollars. Restoring flexibility means Hawai'i continues to attract top-tier research funding and retain world-class talent.

The UH Cancer Center provides important cancer research, access to life-saving treatment including clinical trials which play a critical role in reducing the cancer burden for multi-ethnic residents. Sustainability of the National Cancer Institute (NCI) designated UH Cancer Center is vital for cancer screening, prevention, treatment, and education, significantly reducing the cancer burden in Hawai'i and the Pacific. UH Cancer Center is the only NCI-designated cancer center in the Pacific and top 4% of all cancer centers in the U.S.

Thank you for the opportunity to support HB 2160. Should you have any questions, please do not hesitate to contact Government Relations Director Cynthia Au at Cynthia.Au@Cancer.org or 808.460.6109.

HB-2160

Submitted on: 2/4/2026 3:04:20 PM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Cheryl K. Okuma	Individual	Support	Written Testimony Only

Comments:

RE: Support of HB 2160: Relating to Cancer

Hearing Date: Friday, February 6, 2026; TIME: 9:00AM

Committee on Health / Committee on Human Services & Homelessness

Chair Takayama, Chair Marten and joint committee members:

My name is Cheryl K. Okuma and I am an advocate for the American Cancer Society Cancer Action Network. I am in SUPPORT of HB 2160: Relating to Cancer.

As a cancer survivor, with family members and friends who have battled or are battling cancer—ensuring strong cancer research and prevention programs is critical to our fight against this disease.

I respectfully ask you to support HB 2160 so that Hawai‘i can continue advancing cancer research and improving outcomes for all residents.

Sincerely,

Cheryl K. Okuma

Wailuku, 96793

HB-2160

Submitted on: 2/4/2026 4:27:18 PM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Karen Kalanta	Individual	Support	Written Testimony Only

Comments:

Chair Takayama, Chair Marten and joint committee members:

My name is Karen Kalanta. As a nurse, patient advocate, volunteer community scientist, and cancer survivor, I am a big supporter of the cancer center. Therefore, I am in SUPPORT of HB 2160: Relating to Cancer.

I respectfully ask you to support HB 2160 so that Hawai'i can continue advancing cancer research and improving outcomes for all residents.

Sincerely,

Karen A. Kalanta, RN, MSN

Kapolei 96707

HB-2160

Submitted on: 2/5/2026 5:51:46 AM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Daryl Kurozawa	Individual	Support	Written Testimony Only

Comments:

RE: Support of HB 2160: Relating to Cancer

Hearing Date: Friday, February 6, 2026; TIME: 9:00AM

Committee on Health / Committee on Human Services & Homelessness

Chair Takayama, Chair Marten and joint committee members:

My name is Dr Daryl Kurozawa and I am an advocate for UH Cancer Center's Community Advisory Board. I am in SUPPORT of HB 2160: Relating to Cancer.

As a surgeon based on Hawaii Island, I have experienced first hand the benefit to those affected by cancer and their families, that the UH Cancer Center provides through research, clinical trials and support programs.

Cancer touches nearly every household in Hawai‘i. Investments in research and clinical trials give families hope.

Funds that were meant to support cancer research are currently sitting unused. Repealing the restriction allows those dollars to finally reach patients and communities.

Restoring flexibility in funding will allow the UH Cancer Center to use existing funds to ensure that lifesaving research stays in Hawai‘i and benefits our islands.

Since 2022, the Cancer Center has nearly doubled its federal research funding—from \$18 million to \$33 million. This didn’t happen by accident. It happened because state support gave us the power to recruit world-class scientists, expand trials, and reach communities.

This is a wise investment. Every dollar spent now means more grant dollars later. Federal funding follows capacity, not promises. Giving the Center flexibility will help it stay competitive, bring in more federal grants, and attract top researchers.

This bill does not ask for new state funds. It allows the Cancer Center to use the money it already has for the purpose it was intended. Repealing the restriction allows existing resources to be used more effectively.

Every family in Hawai‘i has been touched by cancer. Ensuring strong research and prevention programs today protects our children and our future.

I respectfully ask you to support HB 2160 so that Hawai‘i can continue advancing cancer research and improving outcomes for all residents.

Sincerely,

Daryl Kurozawa, MD

Kealahou, Hawaii. 96750

Lynda Asato
Honolulu, HI 96817

RE: Strong Support of HB 2160: Relating to Cancer
Friday, February 6, 2026; TIME: 9:00AM
Committee on Health & Committee on Human Services & Homelessness

Chair Takayama, Chair Marten and joint committee members:

My name is Lynda Asato and I am an advocate for the University of Hawaii Cancer Center and a member of the University of Hawaii Cancer Center Patient Advocacy Council. I am in STRONG SUPPORT of HB 2160: Relating to Cancer.

I have had breast cancer multiple times, and my family has had colorectal and stomach cancer. I am on the hunt for clinical trials based on research for my cousins whose cancer has spread. The University of Hawaii Cancer Center needs funding for research that will save lives. They have their share of the cigarette tax limited to building maintenance expenses and need to be able to have the flexibility to apply it where needed.

I respectfully ask you to support HB 2160 so that Hawai'i can continue advancing cancer research and improving lifetime outcomes for all residents.

Sincerely,

Lynda Asato
Honolulu, HI 96817

Cynthia Au
Honolulu, HI 96814

RE: Strong Support of HB 2160: Relating to Cancer
Friday, February 6, 2026; TIME: 9:00AM
Committee on Health & Committee on Human Services & Homelessness

Chair Takayama, Chair Marten and joint committee members:

My name is Cynthia Au and I support the cancer center, research, for patients fighting the disease and survivors. I am in STRONG SUPPORT of HB 2160: Relating to Cancer.

The cancer center is the only National Cancer Institute in the Pacific that can serve the unique population of Hawai'i. Since the pandemic, I have come to find that many of my friends who are cancer survivors and have beat the disease are facing recurrence. Their cancers have come back and have spread to other places. Even one who has beat cancer 30 years ago recently found cancer in her bones. Another friend who had cancer 7 years ago, is fighting cancer that was discovered after being admitted to the emergency room for another medical issue. I know at least four people with recurrence in the last few years.

I don't understand why this is happening. I only can hope that the advances from cancer research will make a difference.

I respectfully ask you to support HB 2160 so that Hawai'i can continue advancing cancer research and improving lifetime outcomes for all residents.

This testimony is submitted in the capacity as an individual and not on behalf of my employer with the American Cancer Society Cancer Action Network.

Sincerely,

Cynthia Au
Honolulu, HI 96814

LATE

HB-2160

Submitted on: 2/5/2026 2:20:59 PM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
John Shepherd	Individual	Support	Written Testimony Only

Comments:

Aloha Chair and Members of the Committee,

My name is John A. Shepherd, PhD. I am a Professor at the John A. Burns School of Medicine and serve in a senior scientific leadership role at the University of Hawai‘i Cancer Center. I am writing in support of HB2160.

HB2160 addresses an important issue related to funding structure rather than program expansion. The bill repeals the automatic requirement that revenues deposited into the Hawai‘i Cancer Research Special Fund from cigarette tax receipts be used exclusively for debt service, capital expenditures, and building maintenance. This change preserves the original intent of the fund while restoring appropriate flexibility for the Legislature to address current cancer research and public health needs.

Cancer research, surveillance, and coordination depend not only on physical infrastructure, but also on stable operating support to sustain federal partnerships, meet cost-sharing obligations, and maintain essential statewide functions. When cancer-dedicated funds are overly restricted, even well-intended capital investments can unintentionally limit the ability of cancer programs to operate effectively, particularly during periods of federal funding uncertainty.

HB2160 maintains legislative oversight and accountability through the appropriations process. Rather than reducing fiscal discipline, the bill rebalances the use of cancer-related revenues so that both capital and operational needs may be addressed in a deliberate and transparent manner. This flexibility is important for ensuring continuity of cancer research, surveillance, and public health activities that directly benefit the people of Hawai‘i.

For these reasons, I respectfully support HB2160 and its intent to align cancer-dedicated revenues with the full scope of cancer research and public health responsibilities.

Thank you for the opportunity to provide testimony.

Respectfully submitted,

John A. Shepherd, PhD

LATE

HB-2160

Submitted on: 2/5/2026 2:53:07 PM
Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Maarit Tiirikainen	Individual	Support	Written Testimony Only

Comments:

H.B. 2160 “RELATING TO CANCER”

Chairs Takayama and Marten, Vice Chairs Keohokapu-Lee Loy and Olds, and Members of the Committee:

I respectfully offer comments for H.B. 2160, which seeks to repeal the current restriction on the use of cigarette tax revenues deposited into the Hawai‘i Cancer Research Special Fund.

In 2025, the Legislature passed HB441, increasing the cigarette tax from 16 to 18 cents per cigarette. The UH Cancer Center’s allocation was doubled from 2 cents to 4 cents—equating to approximately \$14 million annually. I am grateful for this strong signal of support. **However, HB441 also restricted the entire 4 cents to debt service and building maintenance only, eliminating the fund’s ability to support the Cancer Center’s core operations, research, and academic infrastructure.**

This restriction has had unintended consequences. **The original legislative intent of the Hawai‘i Cancer Research Special Fund was to support a full spectrum of cancer research and operations activities.** That flexibility allowed the Cancer Center (UHCC) to invest in faculty recruitment and key programs that led to a remarkable increase in federal research funding—from \$18.2 million in 2022 to \$32.8 million in 2025—an 85% increase. However, that momentum cannot be sustained without flexible, reliable support.

The financial support from the cigarette tax has been especially critical for the research infrastructure of the UHCC. With this funding the UHCC has been able to establish and maintain several highly specialized analytical cores to support the research, such as the comprehensive genomics core which is the only such analytical genomics service core in the whole State of Hawai‘i. **Other analytical cores at UHCC also serve many other research entities in the State.**

I recognize and respect the Legislature’s past decision to implement this restriction. Still, it’s important to understand that this was a policy shift—not a reflection of the Center’s performance or accountability. The University of Hawai‘i Cancer Center remains one of only 73 NCI-designated centers nationwide, and the only one in the Pacific dedicated to addressing the unique and disproportionate cancer burden faced by Hawai‘i’s people.

Cigarette tax revenues continue to decline—by approximately 10% annually—making this source inherently unstable over time. We must use what remains strategically. The current restriction further jeopardizes the ability to secure additional federal funds and expand life-saving research. Repealing it would restore the Center’s ability to compete, grow, and serve—not only in the present, but well into the future.

Restoring flexibility to the Cancer Research Special Fund enables strategic investment in talent, research infrastructure, and community-driven programs that are already producing measurable results. These investments are not a static expense—they are the foundation for future growth in extramural funding from the NIH and other federal and private sources.

By strengthening our research portfolio now, we can reduce long-term dependence on cigarette tax revenues and increase Hawai‘i’s share of national research dollars. **HB2160 does not create new spending. It merely restores the use of existing funds for the purposes they were originally intended: research, innovation, and impact.** Restoring flexibility today helps secure a more self-sustaining and resilient future for cancer research in Hawai‘i.

I respectfully urge your support of HB2160 to ensure that the people of Hawai‘i continue to benefit from a world-class cancer center that is growing, competitive, and focused on saving lives in the Pacific region.

Mahalo for your consideration,

Maarit Tiirikainen, Kaneohe

LATE

HB-2160

Submitted on: 2/5/2026 3:29:06 PM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Lenora Loo	Individual	Support	Written Testimony Only

Comments:

Dear Members of the Committee,

I am in support of repealing the current restriction on the use of cigarette tax revenues deposited into the Hawai'i Cancer Research Special Fund. It is critical that there be flexibility to utilize the Cancer Research Special Fund to strategically invest in research infrastructure and community-driven programs, so that the progress in the fight against cancer can continue for the people of Hawaii. They deserve this.

Thank you for your consideration.

LATE

HB-2160

Submitted on: 2/5/2026 3:32:03 PM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Jami Fukui	Individual	Support	Written Testimony Only

Comments:

H.B. 2160 “RELATING TO CANCER”

Chairs Takayama and Marten, Vice Chairs Keohokapu-Lee Loy and Olds, and Members of the Committee:

I, Jami Fukui, MD a practicing oncologist and a concerned citizen respectfully offer comments for H.B. 2160, which seeks to repeal the current restriction on the use of cigarette tax revenues deposited into the Hawai‘i Cancer Research Special Fund.

The original legislative intent of the Hawai‘i Cancer Research Special Fund was to support a full spectrum of cancer research and operations activities which directly serves and improves the care of patients in Hawai‘i.

The current restriction limits the University of Hawaii Cancer Center's ability to secure additional federal funds and expand life-saving research. Repealing it would restore the Center’s ability to strategically invest in area important for research infrastructure, and community-driven programs. These investments are vital for future growth.

HB2160 does not create new spending. It merely restores the use of existing funds for the purposes they were originally intended: research, innovation, and impact.

I respectfully urge your support of HB2160 to ensure that the people of Hawai‘i continue to benefit from a world-class cancer center that is growing, competitive, and focused on saving lives.

Mahalo for your consideration,

Jami Fukui, MD

LATE

HB-2160

Submitted on: 2/5/2026 3:32:18 PM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Annette Jones	Individual	Support	Written Testimony Only

Comments:

I am in support of changes to allow use of cigarette tax funds to support the researchers at the UH Cancer Center to include shared resource support and not limit the funds for building maintenance and bonds.

COMMITTEE ON HEALTH and HUMAN SERVICES & HOMELESSNESS

Representative Gregg Takayama, Chair
Representative Lisa Marten, Chair
Representative Sue Keohokapu-Lee Loy, Vice Chair
Representative Ikaika Olds, Vice Chair

LATE

February 6, 2026 (9:00 am)

Individual Testimony in SUPPORT of HB 2160
RELATING TO CANCER

Aloha Chairs Takayama and Marten, Vice Chairs Keohokapu-Lee Loy and Olds, and Members of the Committees:

Thank you for the opportunity to submit an individual testimony. I am in **strong support** of House Bill 2160, which would repeal the current restriction on the use of cigarette tax revenues deposited into the Hawai'i Cancer Research Special Fund.

My name is Izumi Okado, and I am an Assistant Professor at the University of Hawai'i Cancer Center. My testimony is submitted as an individual and not as a representative of the University of Hawai'i or the University of Hawai'i Cancer Center.

In 2025, the Legislature passed HB441, which increased the cigarette tax from 16 cents to 18 cents per cigarette. The Cancer Center's allocation was doubled from 2 cents to 4 cents, and I am grateful for this strong signal of support. However, HB441 had also restricted the entire 4 cents to debt service and building maintenance only, essentially eliminating the fund's ability to support the Cancer Center's core operations, research, and academic infrastructure. The current restriction jeopardizes our ability to secure additional federal funds and expand life-saving research.

Repealing the restriction is critical for our communities. Cancer is a public health emergency – one in two Hawai'i residents will be diagnosed with cancer. The Cancer Center helps bring cutting-edge clinical trials to our patients here at home. Clinical trials provide patients with access to the latest treatments and technologies – and life-saving treatments for some patients with cancer. Bringing cancer clinical trials to Hawai'i enables our residents to access the best and newest treatments here at home. Restricting funds puts that at risk.

By 2050, cancer cases worldwide are expected to increase by 77%, to over 35 million, and cancer deaths are projected to nearly double, to 18.5 million, according to the World Health Organization. Residents of Hawai'i and the Pacific will not be immune from this grim trend. Repealing HB441 would allow the Cancer Center to direct resources and save lives.

Thank you.

Izumi Okado, PhD, Assistant Professor, University of Hawai'i Cancer Center

LATE

HB-2160

Submitted on: 2/5/2026 4:53:21 PM

Testimony for HLT on 2/6/2026 9:00:00 AM

Submitted By	Organization	Testifier Position	Testify
Nicole Lee	Individual	Support	Written Testimony Only

Comments:

**Testimony in Support of H.B. 2160
RELATING TO CANCER**

Chairs Takayama and Marten, Vice Chairs Keohokapu-Lee Loy and Olds, and Members of the Committee:

I respectfully submit testimony in support of H.B. 2160, which seeks to repeal the current restriction on the use of cigarette tax revenues deposited into the Hawai‘i Cancer Research Special Fund.

In 2025, the Legislature passed H.B. 441, increasing the cigarette tax from 16 to 18 cents per cigarette. As part of that bill, the allocation to the Hawai‘i Cancer Research Special Fund increased from 2 cents to 4 cents per cigarette—an investment that equates to approximately \$14 million annually. I view that action as a strong and meaningful signal of the Legislature’s commitment to cancer research in Hawai‘i.

At the same time, H.B. 441 restricted the full 4-cent allocation to debt service and building maintenance only. As a result, the fund can no longer support core cancer research activities, academic infrastructure, or operational needs that are essential for sustaining a competitive research enterprise. While the increased allocation is appreciated, the restriction has produced unintended consequences.

Under the current structure, surplus funds generated from the additional 2-cent increase cannot be used to support research, clinical trials, or the recruitment of scientific talent. These dollars will instead remain unused, even as time-sensitive opportunities to advance cancer research and improve patient outcomes pass by. From a practical standpoint, this is akin to setting aside resources for future needs while being unable to address urgent challenges in the present.

When the Hawai‘i Cancer Research Special Fund was originally established, it was intended to support a broad spectrum of cancer research and related activities. That flexibility made it possible to invest strategically in faculty recruitment and research programs—investments that directly contributed to a substantial increase in federal research funding, from \$18.2 million in 2022 to \$32.8 million in 2025. Sustaining that momentum, however, requires reliable and flexible support.

I recognize and respect the Legislature's prior decision to implement the current restriction, and I understand the fiscal considerations that informed it. At the same time, it is important to emphasize that this policy change was not driven by performance concerns or a lack of accountability. Hawai'i's cancer research enterprise remains nationally competitive, including its status as one of only 73 NCI-designated cancer centers in the country and the only one serving the Pacific region, where cancer disproportionately affects Native Hawaiian and other Pacific Islander communities.

Cigarette tax revenues are also declining—by roughly 10% each year—making this funding source increasingly unstable. That reality underscores the importance of using remaining revenues strategically to leverage external funding. Continued restrictions on the fund limit the ability to secure additional federal and private research dollars and threaten long-term sustainability.

H.B. 2160 does not authorize new spending. Rather, it restores the original intent of the Hawai'i Cancer Research Special Fund by allowing existing revenues to be used for research, innovation, and impact. Restoring this flexibility would enable targeted investments in people, infrastructure, and community-driven programs that already demonstrate measurable returns. Over time, these investments reduce reliance on cigarette tax revenues by increasing Hawai'i's share of national research funding.

For these reasons, I respectfully urge your support of H.B. 2160. Repealing the current restriction will help ensure that cancer research in Hawai'i remains strong, competitive, and focused on saving lives—now and in the future.

Mahalo for the opportunity to provide testimony.

LATE

H.B. 2160 “RELATING TO CANCER”

Chairs Takayama and Marten, Vice Chairs Keohokapu-Lee Loy and Olds, and Members of the Committee:

My name is Thaddeus Herzog. I am an Associate Researcher at the University of Hawai‘i Cancer Center. My testimony is submitted as an individual and not as a representative of the University of Hawai‘i or the UH Cancer Center.

My testimony is **in support of H.B. 2160** which seeks to repeal the current restriction on the use of cigarette tax revenues deposited into the Hawai‘i Cancer Research Special Fund.

In 2025, the Legislature passed HB441, increasing the cigarette tax from 16 to 18 cents per cigarette. The Cancer Center’s allocation was doubled from 2 cents to 4 cents—equating to approximately \$14 million annually. We were grateful for this strong signal of support. However, HB441 also restricted the entire 4 cents to debt service and building maintenance only, eliminating the fund’s ability to support the Cancer Center’s core operations, research, and academic infrastructure. This restriction has had unintended consequences. While we remain grateful for the investment, the surplus funds—collected from the additional 2 cents—will sit unused, unable to be deployed toward research, clinical trials, or recruitment. It is akin to putting cash under the mattress for future needs while letting immediate opportunities to save lives and grow Hawai‘i’s research capacity slip away. The original legislative intent of the Hawai‘i Cancer Research Special Fund was to support a full spectrum of cancer research and operations activities. That flexibility allowed us to invest in faculty recruitment and key programs that led to a remarkable increase in federal research funding—from \$18.2 million in 2022 to \$32.8 million in 2025—an 85% increase. However, that momentum cannot be sustained without flexible, reliable support. We recognize and respect the Legislature’s past decision to implement this restriction. Still, it’s important to understand that this was a policy shift—not a reflection of the Center’s performance or accountability. The University of Hawai‘i Cancer Center remains one of only 73 NCI-designated centers nationwide, and the only one in the Pacific dedicated to addressing the unique and disproportionate cancer burden faced by Hawai‘i’s people.

Cigarette tax revenues continue to decline—by approximately 10% annually—making this source inherently unstable over time. We must use what remains strategically. The current restriction jeopardizes our ability to secure additional federal funds and expand life-saving research. Repealing it would restore the Center’s ability to compete, grow, and serve—not only in the present, but well into the future. Restoring flexibility to the Cancer Research Special Fund enables us to strategically invest in talent, research infrastructure, and community-driven programs that are already producing measurable results. These investments are not a static expense—they are the foundation for future growth in extramural funding from the NIH and other federal and private sources. By strengthening our research portfolio now, we reduce long-term dependence on cigarette tax revenues and increase Hawai‘i’s share of national research dollars. HB2160 does not create new spending. It merely restores the use of existing funds for the purposes they were originally intended: research, innovation, and impact. Restoring flexibility today helps secure a more self-sustaining and resilient future for cancer research in Hawai‘i. We respectfully urge your support of HB2160 to ensure that the people of Hawai‘i continue to benefit from a world-class cancer center that is growing, competitive, and focused on saving lives.

Thank you for your consideration.

Thaddeus Herzog