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# A BILL FOR AN ACT

RELATING TO DISPOSITION OF TAX REVENUES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The purpose of this Act is to address taxes by  
2 setting maximum amounts to be distributed to various non-general  
3 funds pursuant to the cigarette tax and tobacco tax law. The  
4 tax revenues remaining after distribution shall continue to be  
5 deposited into the general fund.

6           By establishing maximum amounts for distribution, the  
7 legislature intends that this Act:

- 8           (1) Make forecasts of general fund revenues more reliable;  
9           (2) Increase legislative oversight of the agencies and  
10           programs supported by the non-general funds; and  
11           (3) Subject those agencies and programs to competition for  
12           limited public funds if the agencies or programs want  
13           more than the amount automatically distributed to  
14           their non-general funds.

15           The legislature finds that this Act promotes budgetary  
16 planning and transparency.

17           The legislature further finds that the transient  
18 accommodations tax revenues are distributed among the convention



1 center, Hawaii tourism authority, and counties by dollar  
2 amounts. That distribution method serves as the model for this  
3 Act.

4 SECTION 2. Section 245-15, Hawaii Revised Statutes, is  
5 amended to read as follows:

6 "§245-15 Disposition of revenues. All moneys collected  
7 pursuant to this chapter shall be paid into the state treasury  
8 as state realizations to be kept and accounted for as provided  
9 by law; provided that, of the moneys collected under the tax  
10 imposed pursuant to:

11 (1) Section 245-3(a)(5), after September 30, 2006, and  
12 prior to October 1, 2007, 1.0 cent per cigarette shall  
13 be deposited to the credit of the Hawaii cancer  
14 research special fund, established pursuant to section  
15 304A-2168, for research and operating expenses and for  
16 capital expenditures;

17 (2) Section 245-3(a)(6), after September 30, 2007, and  
18 prior to October 1, 2008:

19 (A) 1.5 cents per cigarette shall be deposited to the  
20 credit of the Hawaii cancer research special  
21 fund, established pursuant to section 304A-2168,



- 1 for research and operating expenses and for  
2 capital expenditures;
- 3 (B) 0.25 cents per cigarette shall be deposited to  
4 the credit of the trauma system special fund  
5 established pursuant to section 321-22.5; and
- 6 (C) 0.25 cents per cigarette shall be deposited to  
7 the credit of the emergency medical services  
8 special fund established pursuant to section 321-  
9 234;
- 10 (3) Section 245-3(a)(7), after September 30, 2008, and  
11 prior to July 1, 2009:
- 12 (A) 2.0 cents per cigarette shall be deposited to the  
13 credit of the Hawaii cancer research special  
14 fund, established pursuant to section 304A-2168,  
15 for research and operating expenses and for  
16 capital expenditures;
- 17 (B) 0.5 cents per cigarette shall be deposited to the  
18 credit of the trauma system special fund  
19 established pursuant to section 321-22.5;
- 20 (C) 0.25 cents per cigarette shall be deposited to  
21 the credit of the community health centers



1 special fund established pursuant to section 321-  
2 1.65; and

3 (D) 0.25 cents per cigarette shall be deposited to  
4 the credit of the emergency medical services  
5 special fund established pursuant to section 321-  
6 234;

7 (4) Section 245-3(a)(8), after June 30, 2009, and prior to  
8 July 1, 2013:

9 (A) 2.0 cents per cigarette shall be deposited to the  
10 credit of the Hawaii cancer research special  
11 fund, established pursuant to section 304A-2168,  
12 for research and operating expenses and for  
13 capital expenditures;

14 (B) 0.75 cents per cigarette shall be deposited to  
15 the credit of the trauma system special fund  
16 established pursuant to section 321-22.5;

17 (C) 0.75 cents per cigarette shall be deposited to  
18 the credit of the community health centers  
19 special fund established pursuant to section 321-  
20 1.65; and



1 (D) 0.5 cents per cigarette shall be deposited to the  
2 credit of the emergency medical services special  
3 fund established pursuant to section 321-234;  
4 [and]

5 (5) Section 245-3(a)(11), after June 30, 2013, and  
6 [~~thereafter~~] prior to July 1, 2015:

7 (A) 2.0 cents per cigarette shall be deposited to the  
8 credit of the Hawaii cancer research special  
9 fund, established pursuant to section 304A-2168,  
10 for research and operating expenses and for  
11 capital expenditures;

12 (B) 1.5 cents per cigarette shall be deposited to the  
13 credit of the trauma system special fund  
14 established pursuant to section 321-22.5;

15 (C) 1.25 cents per cigarette shall be deposited to  
16 the credit of the community health centers  
17 special fund established pursuant to section 321-  
18 1.65; and

19 (D) 1.25 cents per cigarette shall be deposited to  
20 the credit of the emergency medical services



1 special fund established pursuant to section 321-  
2 234 [-]; and

3 (6) Section 245-3(a)(11), after June 30, 2015, and  
4 thereafter:

5 (A) 2.0 cents per cigarette, but not more than  
6 \$14,100,000 in a fiscal year, shall be deposited  
7 to the credit of the Hawaii cancer research  
8 special fund, established pursuant to section  
9 304A-2168, for research and operating expenses  
10 and for capital expenditures;

11 (B) 1.5 cents per cigarette, but not more than  
12 \$10,600,000 in a fiscal year, shall be deposited  
13 to the credit of the trauma system special fund  
14 established pursuant to section 321-22.5;

15 (C) 1.25 cents per cigarette, but not more than  
16 \$8,800,000 in a fiscal year, shall be deposited  
17 to the credit of the community health centers  
18 special fund established pursuant to section 321-  
19 1.65; and

20 (D) 1.25 cents per cigarette, but not more than  
21 \$8,800,000 in a fiscal year, shall be deposited



1                   to the credit of the emergency medical services  
2                   special fund established pursuant to section 321-  
3                   234.

4 The department shall provide an annual accounting of these  
5 dispositions to the legislature."

6           SECTION 3. Statutory material to be repealed is bracketed  
7 and stricken. New statutory material is underscored.

8           SECTION 4. This Act shall take effect on July 1, 2015.



**Report Title:**

Cigarette Tax and Tobacco Tax Law; Distribution Maximums

**Description:**

Amends the cigarette tax and tobacco tax law by establishing maximum dollar amounts that shall be distributed among certain non-general funds. Retains provision that the general fund receive the remainder after distribution. (SD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

