
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 shall be deposited to the
6 credit of the Hawaii cancer research special
7 fund, established pursuant to section 304A-2168,
8 for research and operating expenses and for
9 capital expenditures;

10 (B) 1.125 cents per cigarette, but not more than
11 \$7,400,000 in a fiscal year, shall be deposited
12 to the credit of the trauma system special fund
13 established pursuant to section 321-22.5;

14 (C) 1.25 cents per cigarette, but not more than
15 \$8,800,000 in a fiscal year, shall be deposited
16 to 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, but not more than
20 \$8,800,000 in a fiscal year, shall be deposited
21 to the credit of the emergency medical services



1 special fund established pursuant to section 321-
2 234.

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

5 SECTION 3. Section 321-22.5, Hawaii Revised Statutes, is
6 amended by amending subsection (a) to read as follows:

7 "(a) There is established within the state treasury a
8 special fund to be known as the trauma system special fund to be
9 administered and expended by the department of health. The fund
10 shall consist of:

11 (1) Surcharges collected pursuant to sections 291-15,
12 291C-2, and 291E-7;

13 (2) Cigarette tax revenues designated under section 245-
14 15;

15 (3) Federal funds granted by Congress or executive order
16 for the purpose of this chapter; provided that the
17 acceptance and use of federal funds shall not commit
18 state funds for services and shall not place an
19 obligation upon the legislature to continue the
20 purpose for which the federal funds are made
21 available;



- 1 (4) Funds appropriated by the legislature for this
- 2 purpose, including grants-in-aid;
- 3 (5) Grants, donations, and contributions from private or
- 4 public sources for the purposes of the trauma system
- 5 special fund; and
- 6 (6) Interest on and other income from the fund, which
- 7 shall be separately accounted for.

8 ~~[Moneys in the trauma system special fund shall not lapse~~
9 ~~at the end of the fiscal year.]~~ The unexpended and unencumbered
10 moneys in the fund in excess of \$7,400,000 on June 30 of each
11 fiscal year shall be transferred by the director of finance into
12 and become a realization of the general fund on that date.

13 Expenditures from the trauma system special fund shall be exempt
14 from chapters 103D and 103F."

15 SECTION 4. Statutory material to be repealed is bracketed
16 and stricken. New statutory material is underscored.

17 SECTION 5. 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 changing the amount allocated to the trauma system special fund, and establishing maximum dollar amounts that shall be distributed among certain non-general funds after 6/30/2015. Annually lapses excess moneys in the trauma system special fund to the credit of the general fund. (CD1)

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