

STAND. COM. REP. NO.

1532

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 1297  
S.D. 1  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Eighth State Legislature  
Regular Session of 2015  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1297, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO DISPOSITION OF TAX REVENUES,"

begs leave to report as follows:

The purpose of this measure is to place ceilings on the total amounts of cigarette tax and tobacco tax revenues that are currently deposited in the Hawaii Cancer Research Special Fund, Trauma System Special Fund, Community Health Centers Special Fund, and Emergency Medical Services Special Fund, beginning July 1, 2015.

For the purposes of a public hearing on this bill, your Committee circulated a Proposed Draft of S.B. No. 1297, S.D. 1, H.D. 1 (Proposed Draft), and notified the public that it would be accepting testimony on the Proposed Draft. The Proposed Draft:

- (1) Specifies that as of July 1, 2015, all cigarette tax and tobacco tax revenues distributed to various special funds pursuant to section 245-15, Hawaii Revised Statutes, shall be general fund realizations; and
- (2) Appropriates general funds to various state programs in accordance with existing distributions of cigarette tax and tobacco tax revenues.

SB1297 HD1 HSCR FIN HMS 2015-3012



Hawaii Health Systems Corporation, The Queen's Health Systems, Injury Prevention Advisory Committee, Healthcare Association of Hawaii, and many individuals testified in opposition to this measure. The Department of Budget and Finance, Department of Health, University of Hawaii, Tax Foundation of Hawaii, Hawaii Pacific Health, and Hawaii Primary Care Association provided comments.

Your Committee, upon careful consideration of the merits of both S.B. No. 1297, S.D. 1, as received by your Committee, and the Proposed Draft, has adopted the Proposed Draft and further amended it by:

- (1) Retaining the current, existing distribution of cigarette tax and tobacco tax revenues to the Cancer Research Special Fund and deleting the related general fund appropriations for Hawaii Cancer Research Center debt service and operating costs;
- (2) Increasing the appropriation amounts for emergency medical services and injury prevention system (HTH 730) and family health services (HTH 560); and
- (3) Making technical, nonsubstantive amendments for 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 S.B. No. 1297, S.D. 1, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 1297, S.D. 1, H.D. 1, and be placed on the calendar for Third Reading.

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



SYLVIA LUKE, Chair



