EXECUTIVE CHAMBERS
HONOLULU

DAVID Y. IGE
GOVERNOR

June 21, 2016

The Honorable Ronald D. Kouchi,
  President
  and Members of the Senate
Twenty-Eighth State Legislature
State Capitol, Room 409
Honolulu, Hawai'i 96813

The Honorable Joseph M. Souki,
  Speaker and Members of the
  House of Representatives
Twenty-Eighth State Legislature
State Capitol, Room 431
Honolulu, Hawai'i 96813

Dear President Kouchi, Speaker Souki, and Members of the Legislature:

This is to inform you that on June 21, 2016, the following bill was signed into law:

HB2466 HD1 SD1   RELATING TO NON-GENERAL FUNDS
                      ACT 086 (16)

Sincerely,

DAVID Y. IGE
Governor, State of Hawai'i

Approved by the Governor

on ⸬⸱ 2 1 2016

HOUSE OF REPRESENTATIVES
TWENTY-EIGHTH LEGISLATURE, 2016
STATE OF HAWAII

ORIGINAL

ACT 086

H.B. NO. 2466
H.D. 1
S.D. 1

A BILL FOR AN ACT

RELATING TO NON-GENERAL FUNDS.

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

1 SECTION 1. The purpose of this Act is to address the

2 distribution of cigarette tax revenues.

3 During the regular session of 2015, Act 238 was enacted to

4 set maximum amounts on the distribution of cigarette tax

5 revenues to various non-general funds, with the remainder to be

6 deposited into the general fund. The legislature took this

7 action to increase legislative oversight of agencies and

8 programs supported by cigarette tax revenues, and subject those

9 agencies and programs to competition for limited public funds by

10 restricting their automatic share of cigarette tax revenues.

11 This Act expands the legislature's focus on the

12 distribution of cigarette tax revenues. The legislature finds

13 that focusing on the cigarette tax is imperative because these

14 tax revenues are declining, a laudable result of public health

15 efforts. Consequently, evaluation of the future budgetary needs

16 and funding of agencies and programs dependent on cigarette tax

17 revenues should commence now.

H.B. NO. 2466 H.D. 1 S.D. 1

1   The purpose of this Act is to require the department of

2   health and department of budget and finance to jointly conduct a

3   study of the distribution of the cigarette tax revenues.

4   SECTION 2. (a) The department of health and department of

5   budget and finance shall jointly conduct a study on the

6   distribution of the cigarette tax revenues.

7   (b) The study shall include the following:

8   (1) Estimated total revenues derived from the cigarette

9   tax through fiscal year 2024-2025;

10   (2) Estimated distribution of cigarette tax revenues among

11   the non-general funds specified in section 245-15(6),

12   Hawaii Revised Statutes, through fiscal year 2024-

13   2025;

14   (3) Estimated budgetary needs of the agencies and programs

15   supported by the non-general funds listed in section

16   245-15(6), Hawaii Revised Statutes, through fiscal

17   year 2024-2025; and

18   (4) Differences between the estimated budgetary needs of

19   the agencies and programs under paragraph (3) and

20   their estimated cigarette tax revenue distribution.

1   (c)   The department of health and department of budget and

2   finance shall include a recommendation in the study of whether

3   to:

4   (1)   Continue the cigarette tax revenue distribution to the

5   non-general funds, with or without modification; or

6   (2)   Re-distribute all or most of the cigarette tax

7   revenues to the general fund and change the means of

8   financing of affected agencies and programs to general

9   funds.

10   SECTION 3.   Upon the request of the department of health or

11   the department of budget and finance for assistance and

12   information, the department of taxation, and any other relevant

13   executive department, shall cooperate with the department of

14   health or department of budget and finance.

15   SECTION 4.   The department of health and department of

16   budget and finance shall submit the findings and recommendations

17   of the study to the legislature and governor by November 1,

18   2016.

19   SECTION 5.   This Act shall take effect on July 1, 2016.

APPROVED this 2 1 day of   JUN   , 2016

GOVERNOR OF THE STATE OF HAWAII