
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.



1 The purpose of this Act is to require the department of
2 budget and finance to conduct a study of the distribution of the
3 cigarette tax revenues.

4 SECTION 2. (a) The department of budget and finance shall
5 conduct a study on the distribution of the cigarette tax
6 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 budget and finance shall include a
2 recommendation in the study of whether to:

3 (1) Continue the cigarette tax revenue distribution to the
4 non-general funds, with or without modification; or

5 (2) Re-distribute all or most of the cigarette tax
6 revenues to the general fund and change the means of
7 financing of affected agencies and programs to general
8 funds.

9 SECTION 3. Upon the request of the department of budget
10 and finance for assistance and information, the department of
11 health, department of taxation, and any other relevant executive
12 department shall cooperate with the department of budget and
13 finance.

14 SECTION 4. The department of budget and finance shall
15 submit the findings and recommendations of the study to the
16 legislature and governor by November 1, 2016.

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



H.B. NO.

2466
H.D. 1
S.D. 1
Proposed

Report Title:

Cigarette Tax Revenues; Re-Distribution Study

Description:

Requires the department of budget and finance to conduct a study of the re-distribution of cigarette tax revenues. (SD1 Proposed)

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