

S.B. NO. 971

JAN 25 2017

A BILL FOR AN ACT

RELATING TO EMERGENCY MEDICAL SERVICES.

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

1 SECTION 1. The Legislature finds that anti-tobacco
2 campaigns have played a major role in the overall decline of
3 cigarette smoking. A key tool of tobacco control has been
4 taxation policy, which has been shown to be particularly
5 effective for youths who are generally more price-sensitive and
6 thus are less likely to start or maintain cigarette smoking.

7 The health effects of smoking are well established and
8 include increased risk of heart attack, stroke, and other
9 medical events to which Hawaii's emergency medical services
10 system routinely responds. A clear nexus can thus be
11 established between cigarette smoking and utilization of the
12 healthcare system. However, due to declining rates of smoking
13 the long-term sustainability of the cigarette tax as a revenue
14 source for the emergency medical system special fund is in
15 jeopardy.

16 The purpose of this Act is to repeal the emergency medical
17 services special fund, redirect the fund's revenue sources
18 (cigarette tax, motor vehicle registration fee, investment pool

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1 returns) to the general fund, and appropriate an equivalent
2 dollar-for-dollar amount to the department of health for
3 purposes of overseeing the statewide comprehensive emergency
4 medical system with no discernable disruptions.

5 In fiscal year 2015-2016, revenue collected from the \$5 per
6 vehicle registration fee was deposited into the special fund.
7 The emergency medical services special fund revenues from
8 vehicle registration fees in fiscal year 2015-2016 were
9 \$6,538,865.

10 In fiscal year 2015-2016, revenue collected from the 1.25
11 cents per cigarette sold was deposited into the emergency
12 medical system special fund. The emergency medical system
13 special fund revenues from cigarette sales in fiscal year 2015-
14 2016 were \$8,800,000.

15 The emergency medical system special fund revenues from the
16 investment pool account in fiscal year 2015-2016 were
17 \$151,502.46.

18 The emergency medical system special fund total revenues in
19 fiscal year 2015-2016 were \$15,490,367.46.

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

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1 "§245-15 Disposition of revenues. All moneys collected
2 pursuant to this chapter shall be paid into the state treasury
3 as state realizations to be kept and accounted for as provided
4 by law; provided that, of the moneys collected under the tax
5 imposed pursuant to:

6 (1) Section 245-3(a)(5), after September 30, 2006, and
7 prior to October 1, 2007, 1.0 cent per cigarette shall
8 be deposited to the credit of the Hawaii cancer
9 research special fund, established pursuant to section
10 304A-2168, for research and operating expenses and for
11 capital expenditures;

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

14 (A) 1.5 cents per cigarette shall be deposited to the
15 credit of the Hawaii cancer research special
16 fund, established pursuant to section 304A-2168,
17 for research and operating expenses and for
18 capital expenditures;

19 (B) 0.25 cents per cigarette shall be deposited to
20 the credit of the trauma system special fund
21 established pursuant to section 321-22.5; and

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

5 (3) Section 245-3(a)(7), after September 30, 2008, and
6 prior to July 1, 2009:

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) 0.5 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) 0.25 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) 0.25 cents per cigarette shall be deposited to
20 the credit of the emergency medical services
21 special fund established pursuant to section 321-
22 234;

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

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

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

11 (C) 0.75 cents per cigarette shall be deposited to
12 the credit of the community health centers
13 special fund established pursuant to section 321-
14 1.65; and

15 (D) 0.5 cents per cigarette shall be deposited to the
16 credit of the emergency medical services special
17 fund established pursuant to section 321-234;

18 (5) Section 245-3(a)(11), after June 30, 2013, and prior
19 to July 1, 2015:

20 (A) 2.0 cents per cigarette shall be deposited to the
21 credit of the Hawaii cancer research special
22 fund, established pursuant to section 304A-2168,

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1 for research and operating expenses and for
2 capital expenditures;

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

6 (C) 1.25 cents per cigarette shall be deposited to
7 the credit of the community health centers
8 special fund established pursuant to section 321-
9 1.65; and

10 (D) 1.25 cents per cigarette shall be deposited to
11 the credit of the emergency medical services
12 special fund established pursuant to section 321-
13 234; [and]

14 (6) Section 245-3(a)(11), after June 30, 2015, and
15 [thereafter:] prior to July 1, 2017:

16 (A) 2.0 cents per cigarette shall be deposited to the
17 credit of the Hawaii cancer research special
18 fund, established pursuant to section 304A-2168,
19 for research and operating expenses and for
20 capital expenditures;

21 (B) 1.125 cents per cigarette, but not more than
22 \$7,400,000 in a fiscal year, shall be deposited

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1 to the credit of the trauma system special fund
2 established pursuant to section 321-22.5;

3 (C) 1.25 cents per cigarette, but not more than
4 \$8,800,000 in a fiscal year, shall be deposited
5 to the credit of the community health centers
6 special fund established pursuant to section 321-
7 1.65; and

8 (D) 1.25 cents per cigarette, but not more than
9 \$8,800,000 in a fiscal year, shall be deposited
10 to the credit of the emergency medical services
11 special fund established pursuant to section 321-
12 234 [-]; and

13 (7) Section 245-3(a)(11), after June 30, 2017, and
14 thereafter:

15 (A) 2.0 cents per cigarette shall be deposited to the
16 credit of the Hawaii cancer research special
17 fund, established pursuant to section 304A-2168,
18 for research and operating expenses and for
19 capital expenditures;

20 (B) 1.125 cents per cigarette, but not more than
21 \$7,400,000 in a fiscal year, shall be deposited

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1 to the credit of the trauma system special fund
2 established pursuant to section 321-22.5; and
3 (C) 1.25 cents per cigarette, but not more than
4 \$8,800,000 in a fiscal year, shall be deposited
5 to the credit of the community health centers
6 special fund established pursuant to section 321-
7 1.65.

8 The department shall provide an annual accounting of these
9 dispositions to the legislature."

10 SECTION 3. Section 249-31, Hawaii Revised Statutes, is
11 amended by amending subsection (b) to read as follows:

12 "(b) From each annual motor vehicle registration fee, the
13 director shall deposit \$40 into the state highway fund and \$5
14 into the [~~emergency medical services special fund.~~] general
15 fund."

16 SECTION 4. Section 321-234, Hawaii Revised Statutes, is
17 repealed.

18 [~~"§321-234—Emergency medical services special~~
19 ~~fund.~~ (a) ~~There is established within the state treasury a~~
20 ~~special fund to be known as the emergency medical services~~
21 ~~special fund to be administered and expended by the department.~~

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1 ~~(b) The moneys in the special fund shall be used by the~~
2 ~~department for operating a state comprehensive emergency medical~~
3 ~~services system including enhanced and expanded services, and~~
4 ~~shall not be used to supplant funding for emergency medical~~
5 ~~services authorized prior to [July 1, 2004].~~

6 ~~(c) Fees remitted pursuant to section 249-31, cigarette~~
7 ~~tax revenues designated under section 245-15, interest and~~
8 ~~investment earnings attributable to the moneys in the special~~
9 ~~fund, legislative appropriations, and grants, donations, and~~
10 ~~contributions from private or public sources for the purposes of~~
11 ~~the fund, shall be deposited into the special fund.~~

12 ~~(d) The department shall submit an annual report to the~~
13 ~~legislature no later than twenty days prior to the convening of~~
14 ~~each regular session that outlines the receipts of, and~~
15 ~~expenditures from, the special fund."]~~

16 SECTION 5. There is appropriated out of the general
17 revenues of the State of Hawaii the sum of \$14,796,503 or so
18 much thereof as may be necessary for fiscal year 2017-2018 and
19 the same sum or so much thereof as may be necessary for fiscal
20 year 2018-2019, to carry out the purposes of this Act. The sums
21 appropriated shall be expended by the department of health for
22 the statewide comprehensive emergency medical services system.

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1 SECTION 6. Statutory material to be repealed is bracketed
2 and stricken. New statutory material is underscored.

3 SECTION 7. This Act, upon its approval, shall take effect
4 on July 1, 2017.

5

6

INTRODUCED BY: _____

A handwritten signature in black ink, appearing to read "MUST-VA", is written over a horizontal line.

7

BY REQUEST

8

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Report Title:

Emergency Medical Services Special Fund, Appropriation.

Description:

Repeals the Emergency Medical Services Special Fund and deposits moneys from the fund's revenue sources into the general fund, and appropriates an equivalent amount of general funds for the Department of Health.

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

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JUSTIFICATION SHEET

DEPARTMENT: Health

TITLE: A BILL FOR AN ACT RELATING TO EMERGENCY MEDICAL SERVICES.

PURPOSE: The purpose of this Act is to repeal the emergency medical system special fund, redirect the fund's revenue sources (cigarette tax, motor vehicle registration fee, investment pool returns) to the general fund, and appropriate an equivalent dollar-for-dollar amount to the Department of Health for purposes of overseeing the statewide comprehensive emergency medical services system with no discernable disruptions.

MEANS: Amend section 245-15 and repeal section 321-234, Hawaii Revised Statutes.

JUSTIFICATION: The Legislature finds that anti-tobacco campaigns have played a major role in the overall decline of cigarette smoking. A key tool of tobacco control has been taxation policy, which has been shown to be particularly effective for youths who are generally more price-sensitive and thus are less likely to start or maintain cigarette smoking.

The health effects of smoking are well established and include increased risk of heart attack, stroke, and other medical events to which Hawaii's emergency medical services system routinely respond. A clear nexus can thus be established between cigarette smoking and utilization of the healthcare system. However, due to declining rates of smoking, the long-term sustainability of the cigarette tax as a revenue source for the emergency medical system special fund is in jeopardy.

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Impact on the public: None.

Impact on the department and other agencies:
None.

GENERAL FUND: Dollar-for-dollar conversion of approximately \$14,796,503 of special funds to general funds for base budget of Department of Health.

OTHER FUNDS: Repeal of emergency medical services special fund.

PPBS PROGRAM
DESIGNATION:

OTHER AFFECTED
AGENCIES: Department of Budget and Finance.

EFFECTIVE DATE: July 1, 2017.