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# 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, which has been shown to be particularly effective for  
5 youths who are generally more price-sensitive and thus less  
6 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 health care 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:

17           (1) Repeal the emergency medical services special fund;



1 (2) Redirect the fund's revenue sources, which include the  
2 cigarette tax, motor vehicle registration fee, and  
3 investment pool returns, to the general fund; and

4 (3) Appropriate an equivalent dollar-for-dollar amount to  
5 the department of health for purposes of overseeing  
6 the statewide comprehensive emergency medical system.

7 In fiscal year 2015-2016, revenue collected from the \$5 per  
8 vehicle registration fee was deposited into the special fund.

9 The emergency medical services special fund revenues from  
10 vehicle registration fees in fiscal year 2015-2016 were  
11 \$6,538,865.

12 In fiscal year 2015-2016, revenue collected from the 1.25  
13 cents per cigarette sold was deposited into the emergency  
14 medical system special fund. The emergency medical system  
15 special fund revenues from cigarette sales in fiscal year 2015-  
16 2016 were \$8,800,000.

17 The emergency medical system special fund revenues from the  
18 investment pool account in fiscal year 2015-2016 were  
19 \$151,502.46.

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



1 SECTION 2. Section 36-27, Hawaii Revised Statutes, is  
2 amended by amending subsection (a) to read as follows:

3 "(a) Except as provided in this section, and  
4 notwithstanding any other law to the contrary, from time to  
5 time, the director of finance, for the purpose of defraying the  
6 prorated estimate of central service expenses of government in  
7 relation to all special funds, except the:

- 8 (1) Special out-of-school time instructional program fund  
9 under section 302A-1310;
- 10 (2) School cafeteria special funds of the department of  
11 education;
- 12 (3) Special funds of the University of Hawaii;
- 13 (4) State educational facilities improvement special fund;
- 14 (5) Convention center enterprise special fund under  
15 section 201B-8;
- 16 (6) Special funds established by section 206E-6;
- 17 (7) Aloha Tower fund created by section 206J-17;
- 18 (8) Funds of the employees' retirement system created by  
19 section 88-109;
- 20 (9) Hawaii hurricane relief fund established under chapter  
21 431P;



- 1 (10) Hawaii health systems corporation special funds and  
2 the subaccounts of its regional system boards;
- 3 (11) Tourism special fund established under section 201B-  
4 11;
- 5 (12) Universal service fund established under section 269-  
6 42;
- 7 (13) Emergency and budget reserve fund under section 328L-  
8 3;
- 9 (14) Public schools special fees and charges fund under  
10 section 302A-1130;
- 11 (15) Sport fish special fund under section 187A-9.5;
- 12 [†] (16) [†] Neurotrauma special fund under section 321H-4;
- 13 [†] (17) [†] Glass advance disposal fee established by section  
14 342G-82;
- 15 [†] (18) [†] Center for nursing special fund under section 304A-  
16 2163;
- 17 [†] (19) [†] Passenger facility charge special fund established  
18 by section 261-5.5;
- 19 [†] (20) [†] Solicitation of funds for charitable purposes  
20 special fund established by section 467B-15;



- 1    [+] (21) [+] Land conservation fund established by section 173A-
- 2                   5;
- 3    [+] (22) [+] Court interpreting services revolving fund under
- 4                   section 607-1.5;
- 5    [+] (23) [+] Trauma system special fund under section 321-22.5;
- 6    [+] (24) [+] Hawaii cancer research special fund;
- 7    [+] (25) [+] Community health centers special fund;
- 8    ~~[+(26)] Emergency medical services special fund;~~
- 9    ~~+(27)]~~ (26) Rental motor vehicle customer facility charge
- 10                  special fund established under section 261-5.6;
- 11    ~~+(28)]~~ (27) Shared services technology special fund under
- 12                  section 27-43;
- 13    ~~+(29)]~~ (28) Automated victim information and notification
- 14                  system special fund established under section 353-136;
- 15    ~~+(30)]~~ (29) Deposit beverage container deposit special fund
- 16                  under section 342G-104;
- 17    ~~+(31)]~~ (30) Hospital sustainability program special fund
- 18                  under [+]section 346G-4 [+] ;
- 19    ~~+(32)]~~ (31) Nursing facility sustainability program special
- 20                  fund under [+]section 346F-4 [+] ;



1     ~~[(33)]~~ (32) Hawaii 3R's school improvement fund under section  
2             302A-1502.4;

3     ~~[(34)]~~ (33) After-school plus program revolving fund under  
4             section 302A-1149.5; and

5     ~~[(35)]~~ (34) Civil monetary penalty special fund under section  
6             321-30.2,

7 shall deduct five per cent of all receipts of all other special  
8 funds, which deduction shall be transferred to the general fund  
9 of the State and become general realizations of the State. All  
10 officers of the State and other persons having power to allocate  
11 or disburse any special funds shall cooperate with the director  
12 in effecting these transfers. To determine the proper revenue  
13 base upon which the central service assessment is to be  
14 calculated, the director shall adopt rules pursuant to chapter  
15 91 for the purpose of suspending or limiting the application of  
16 the central service assessment of any fund. No later than  
17 twenty days prior to the convening of each regular session of  
18 the legislature, the director shall report all central service  
19 assessments made during the preceding fiscal year."

20             SECTION 3. Section 36-30, Hawaii Revised Statutes, is  
21 amended by amending subsection (a) to read as follows:



- 1           "(a) Each special fund, except the:
- 2           (1) Special out-of-school time instructional program fund
- 3                 under section 302A-1310;
- 4           (2) School cafeteria special funds of the department of
- 5                 education;
- 6           (3) Special funds of the University of Hawaii;
- 7           (4) State educational facilities improvement special fund;
- 8           (5) Special funds established by section 206E-6;
- 9           (6) Aloha Tower fund created by section 206J-17;
- 10          (7) Funds of the employees' retirement system created by
- 11                 section 88-109;
- 12          (8) Hawaii hurricane relief fund established under chapter
- 13                 431P;
- 14          (9) Convention center enterprise special fund established
- 15                 under section 201B-8;
- 16          (10) Hawaii health systems corporation special funds and
- 17                 the subaccounts of its regional system boards;
- 18          (11) Tourism special fund established under section 201B-
- 19                 11;
- 20          (12) Universal service fund established under section 269-
- 21                 42;



- 1 (13) Emergency and budget reserve fund under section 328L-
- 2 3;
- 3 (14) Public schools special fees and charges fund under
- 4 section 302A-1130;
- 5 (15) Sport fish special fund under section 187A-9.5;
- 6 [+](16)[+] Neurotrauma special fund under section 321H-4;
- 7 [+](17)[+] Center for nursing special fund under section 304A-
- 8 2163;
- 9 [+](18)[+] Passenger facility charge special fund established
- 10 by section 261-5.5;
- 11 [+](19)[+] Court interpreting services revolving fund under
- 12 section 607-1.5;
- 13 [+](20)[+] Trauma system special fund under section 321-22.5;
- 14 [+](21)[+] Hawaii cancer research special fund;
- 15 [+](22)[+] Community health centers special fund;
- 16 [~~+(23)+~~] ~~Emergency medical services special fund;~~
- 17 [~~+(24)+~~] (23) Rental motor vehicle customer facility charge
- 18 special fund established under section 261-5.6;
- 19 [~~+(25)+~~] (24) Shared services technology special fund under
- 20 section 27-43;





- 1     ~~[(26)]~~ (25)   Nursing facility sustainability program special
- 2             fund established pursuant to ~~[+]~~section 346F-4 ~~[+]~~;
- 3     ~~[(27)]~~ (26)   Automated victim information and notification
- 4             system special fund established under section 353-136;
- 5     ~~[(28)]~~ (27)   Hospital sustainability program special fund
- 6             under ~~[+]~~section 346G-4 ~~[+]~~; and
- 7     ~~[(29)]~~ (28)   Civil monetary penalty special fund under
- 8             section 321-30.2,

9 shall be responsible for its pro rata share of the  
10 administrative expenses incurred by the department responsible  
11 for the operations supported by the special fund concerned."

12         SECTION 4.   Section 245-15, Hawaii Revised Statutes, is  
13 amended to read as follows:

14         "**§245-15 Disposition of revenues.** All moneys collected  
15 pursuant to this chapter shall be paid into the state treasury  
16 as state realizations to be kept and accounted for as provided  
17 by law; provided that, of the moneys collected under the tax  
18 imposed pursuant to:

- 19             (1) Section 245-3(a)(5), after September 30, 2006, and
- 20             prior to October 1, 2007, 1.0 cent per cigarette shall
- 21             be deposited to the credit of the Hawaii cancer



1 research special fund, established pursuant to section  
2 304A-2168, for research and operating expenses and for  
3 capital expenditures;

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

6 (A) 1.5 cents per cigarette shall be deposited to the  
7 credit of the Hawaii cancer research special  
8 fund, established pursuant to section 304A-2168,  
9 for research and operating expenses and for  
10 capital expenditures;

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

14 (C) 0.25 cents per cigarette shall be deposited to  
15 the credit of the emergency medical services  
16 special fund established pursuant to section 321-  
17 234;

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

20 (A) 2.0 cents per cigarette shall be deposited to the  
21 credit of the Hawaii cancer research special



1 fund, established pursuant to section 304A-2168,  
2 for research and operating expenses and for  
3 capital expenditures;

4 (B) 0.5 cents per cigarette shall be deposited to the  
5 credit of the trauma system special fund  
6 established pursuant to section 321-22.5;

7 (C) 0.25 cents per cigarette shall be deposited to  
8 the credit of the community health centers  
9 special fund established pursuant to section 321-  
10 1.65; and

11 (D) 0.25 cents per cigarette shall be deposited to  
12 the credit of the emergency medical services  
13 special fund established pursuant to section 321-  
14 234;

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

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



- 1 (B) 0.75 cents per cigarette shall be deposited to
- 2 the credit of the trauma system special fund
- 3 established pursuant to section 321-22.5;
- 4 (C) 0.75 cents per cigarette shall be deposited to
- 5 the credit of the community health centers
- 6 special fund established pursuant to section 321-
- 7 1.65; and
- 8 (D) 0.5 cents per cigarette shall be deposited to the
- 9 credit of the emergency medical services special
- 10 fund established pursuant to section 321-234;
- 11 (5) Section 245-3(a)(11), after June 30, 2013, and prior
- 12 to July 1, 2015:
- 13 (A) 2.0 cents per cigarette shall be deposited to the
- 14 credit of the Hawaii cancer research special
- 15 fund, established pursuant to section 304A-2168,
- 16 for research and operating expenses and for
- 17 capital expenditures;
- 18 (B) 1.5 cents per cigarette shall be deposited to the
- 19 credit of the trauma system special fund
- 20 established pursuant to section 321-22.5;



- 1 (C) 1.25 cents per cigarette shall be deposited to  
2 the credit of the community health centers  
3 special fund established pursuant to section 321-  
4 1.65; and
- 5 (D) 1.25 cents per cigarette shall be deposited to  
6 the credit of the emergency medical services  
7 special fund established pursuant to section 321-  
8 234; [~~and~~]
- 9 (6) Section 245-3(a)(11), after June 30, 2015, and  
10 [~~thereafter~~] prior to July 1, 2017:
- 11 (A) 2.0 cents per cigarette shall be deposited to the  
12 credit of the Hawaii cancer research special  
13 fund, established pursuant to section 304A-2168,  
14 for research and operating expenses and for  
15 capital expenditures;
- 16 (B) 1.125 cents per cigarette, but not more than  
17 \$7,400,000 in a fiscal year, shall be deposited  
18 to the credit of the trauma system special fund  
19 established pursuant to section 321-22.5;
- 20 (C) 1.25 cents per cigarette, but not more than  
21 \$8,800,000 in a fiscal year, shall be deposited



1 to the credit of the community health centers  
2 special fund established pursuant to section 321-  
3 1.65; and

4 (D) 1.25 cents per cigarette, but not more than  
5 \$8,800,000 in a fiscal year, shall be deposited  
6 to the credit of the emergency medical services  
7 special fund established pursuant to section 321-  
8 234 [-]; and

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

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

16 (B) 1.125 cents per cigarette, but not more than  
17 \$7,400,000 in a fiscal year, shall be deposited  
18 to the credit of the trauma system special fund  
19 established pursuant to section 321-22.5; and

20 (C) 1.25 cents per cigarette, but not more than  
21 \$8,800,000 in a fiscal year, shall be deposited



1                   to the credit of the community health centers  
2                   special fund established pursuant to section 321-  
3                   1.65.

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

6           SECTION 5. Section 249-31, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

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

12           SECTION 6. Section 321-234, Hawaii Revised Statutes, is  
13 repealed.

14           [~~"§321-234 Emergency medical services special fund. (a)~~  
15 ~~There is established within the state treasury a special fund to~~  
16 ~~be known as the emergency medical services special fund to be~~  
17 ~~administered and expended by the department.~~

18           ~~(b) The moneys in the special fund shall be used by the~~  
19 ~~department for operating a state comprehensive emergency medical~~  
20 ~~services system including enhanced and expanded services, and~~



1 ~~shall not be used to supplant funding for emergency medical~~  
2 ~~services authorized prior to [July 1, 2004].~~

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

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

13 SECTION 7. There is appropriated out of the general  
14 revenues of the State of Hawaii the sum of \$14,796,503 or so  
15 much thereof as may be necessary for fiscal year 2017-2018 and  
16 the same sum or so much thereof as may be necessary for fiscal  
17 year 2018-2019 for the statewide comprehensive emergency medical  
18 services system.

19 The sums appropriated shall be expended by the department  
20 of health for the purposes of this Act.





1 SECTION 8. Statutory material to be repealed is bracketed  
2 and stricken. New statutory material is underscored.

3 SECTION 9. This Act shall take effect on July 1, 2017.

4



S.B. NO. 971  
S.D. 1

**Report Title:**

Emergency Medical Services Special Fund; Repeal; 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. (SD1)

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

