



EXECUTIVE CHAMBERS  
HONOLULU

DAVID Y. IGE  
GOVERNOR

July 6, 2021

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

The Honorable Scott K. Saiki,  
Speaker and Members of the  
House of Representatives  
Thirty First State Legislature  
State Capitol, Room 431  
Honolulu, Hawai'i 96813

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

I am transmitting herewith HB1296 HD1 SD2 CD1, without my approval and with the statement of objections relating to the measure.

HB1296 HD1 SD2 CD1

RELATING TO STATE FUNDS.

Sincerely,

DAVID Y. IGE  
Governor, State of Hawai'i

EXECUTIVE CHAMBERS

HONOLULU

July 6, 2021

STATEMENT OF OBJECTIONS TO HOUSE BILL NO. 1296

Honorable Members  
Thirty-First Legislature  
State of Hawai'i

Pursuant to Section 16 of Article III of the Constitution of the State of Hawai'i, I am returning herewith, without my approval, House Bill No. 1296, entitled "A Bill for an Act Relating to State Funds."

The purposes of this bill are to: (1) repeal the Hawaii tobacco prevention and control trust fund (Trust Fund) and transfer any balance of the Trust Fund to the general fund on June 30, 2025; repeal the allocation of 26 percent of the Hawaii tobacco settlement special fund (Special Fund) to the university revenue undertakings fund on July 1, 2033; set a cap of \$4,300,000, on the Special Fund; require that the management contract for the Trust Fund not extend beyond June 30, 2025; and require the Department of Health to provide an annual report to the Legislature before the regular sessions of 2022, 2023, 2024, 2025, and 2026 on Trust Fund expenditures; (2) make an emergency appropriation of \$4,780,880 for fiscal year 2020-2021 for the state comprehensive emergency medical services system; (3) appropriate \$577,466 for fiscal years 2021-2022 and 2022-2023 for two full-time equivalent (FTE) permanent and five FTE temporary positions in the Office of the Governor; (4) require state departments to reimburse the State for fringe benefit costs of special-funded employees; (5) prohibit any expenditure of cigarette tax moneys in the Hawaii cancer research special fund for research and operating expenses; (6) repeal the deposit of any cigarette tax money into the cancer research special fund on July 1, 2041; (7) and repeal the deposit of cigarette tax moneys into the emergency medical services special fund on July 1, 2021; (8) establish a threat assessment program within the Hawaii State Fusion Center of the Office of Homeland Security within the State Department of Defense; and (9) appropriate \$132,972 for fiscal years 2021-2022 and 2022-2023 for one FTE permanent

STATEMENT OF OBJECTIONS  
HOUSE BILL NO. 1296  
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administrative assistant position in the Department of Human Resources Development.

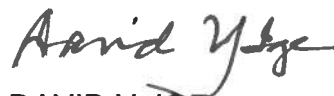
This bill is objectionable because by repealing the Trust Fund, the bill would eliminate the dedicated, long-term funding arrangement for tobacco prevention programs. The Trust Fund uses payments being made by tobacco companies pursuant to the Tobacco Master Settlement Agreement to develop and fund programs to prevent tobacco uptake and to cease tobacco use. Defunding a dedicated revenue source for tobacco prevention and cessation programs creates uncertainty about the continuity of those programs and their ability to achieve their intended outcomes. Any significant reduction in these programs or services will likely result in negative public health impacts and significantly higher health care costs in future years. Over the last twenty years, these programs have helped prevent youth from initiating smoking, have reduced the number of residents who smoke, and have reduced tobacco-use-related healthcare expenditures by over one billion dollars.

Additionally, the bill would eliminate the University of Hawaii (UH) Cancer Center's ability to conduct cancer research and cancer center operations with cigarette tax moneys, significantly increasing costs for the UH to maintain its existing operation and programs.

Notably, recent improvements in the State's current fiscal situation and forecasted tax revenues appear to eliminate the need for this bill.

For the foregoing reasons, I am returning House Bill No. 1296 without my approval.

Respectfully,

A handwritten signature in black ink, appearing to read "David Y. Ige", with a stylized flourish at the end.

DAVID Y. IGE  
Governor of Hawai'i