Chair Dela Cruz and Members of the Committee:

The Department of the Attorney General ("Department") appreciates the intent of this bill and provides the following comments.

The purpose of this bill is to reduce youth use, access, and exposure to tobacco products by prohibiting the issuance and renewal of retail permits for, and sale of, a tobacco product or an electronic smoking device at a place of business within five hundred feet of preschools, schools, and public playgrounds utilized extensively by minors.

As a threshold matter, Hawaii’s current law generally prohibits the sale of any tobacco product to anyone less than twenty-one years of age regardless of the geographic location of the sale. Section 712-1258, Hawaii Revised Statutes (HRS), makes it unlawful to sell or furnish a tobacco product in any form including electronic smoking devices to a person less than twenty-one years of age. This law, in conjunction with section 245-2.5, HRS, which mandates retail permitting, allows properly permitted businesses to engage in the sale of tobacco products to consumers, over the age of twenty-one, who have the legal right to be able to purchase tobacco products that are legal commodities in the generalized stream of commerce.

By prohibiting sales of tobacco products within five hundred feet of public or private preschools and other schools and public playgrounds used extensively by
minors, this measure may have the unintended consequence of presenting a Fourteenth Amendment of the United States Constitution challenge of equal access under the law to a legal commodity by members of the generalized population who are of legal age to purchase the tobacco products. This is particularly the case where public playgrounds are located within the prohibited zones. Moreover, with regard to possession or consumption of tobacco by youth, section 321-212, HRS, prohibits the possession or consumption of a tobacco product including electronic smoking devices by a person less than twenty-one years of age in any public place.

With regard to the permitting issue, a number of businesses have had retail tobacco permits since the inception of the program in 2006. Accordingly, implementation of such a permitting restriction may give rise to a constitutional challenge under the Fifth Amendment of the United States Constitution. Under the Fifth Amendment, private property shall not be taken for public use without just compensation. While this provision has traditionally been applied to the physical taking of property, courts have extended this constitutional protection to regulatory takings as well. To determine whether a regulatory taking has occurred, the courts consider (1) the character of the government action; (2) the economic impact of the regulatory action on the property owner; and (3) the extent to which the action interferes with the property owner’s reasonable “investment-backed expectations”. This would normally occur when a regulation prohibits a use that was previously permitted.

Given that gas stations, convenience stores, and other retailers that sell tobacco products may derive substantial profits from the sale of tobacco products, blanket restrictions to existing permit holders may well lead to such challenges. As mentioned in our previous testimony, possible remedies include grandfathering existing permit holders such that the existing businesses would be allowed to continue subject to the generalized restrictions against the sale of tobacco to anyone under twenty-one years of age. Stand. Com. Rep. No. 2203 provides for grandfathering in existing permits until 11/30/19 [see page 5, lines 5-10 of the bill]. However, the prohibition takes effect on 12/1/19, so there would no grandfathering at all.
We would note that retail permits are subject to being suspended, declined, or revoked under Hawaii Administrative Rules section 18-245-2.5-4, which provides:

Good cause to suspend, revoke, or decline to renew a retail tobacco permit. (a) In addition to any other acts or conditions provided by law, the department may suspend or, after hearing, revoke or decline to renew any retail tobacco permit whenever the department finds that the applicant or permittee has failed to comply with chapter 245 or any rule adopted under chapter 245, or for any other good cause. Good cause includes instances where an applicant, or permittee has:

. . .

(6) Instances of noncompliance, violation, or conviction of any law directly pertaining to the sale, importation, acquisition, possession, stamping, distribution, transportation, or smuggling of cigarettes, counterfeit cigarettes, counterfeit tax stamps, or other tobacco products in violation of county, state, or federal law . . . .

The Department respectfully recommends that the above matters be considered in order to better promote the intent of this bill. Thank you for the opportunity to testify.
Testimony COMMENTING on  S.B. 2304, SD1 RELATING TO TOBACCO

SENATOR DONOVAN DELA CRUZ, CHAIR
SENATE COMMITTEE ON WAYS AND MEANS

Hearing Date:  02/23/2018          Room Number:  211

1 Fiscal Implications:  The Department of Health (DOH) defers to the Office of the Attorney General (AG) on enforcement, and the Department of Taxation (DOTAX) on the implementation of licensing and permitting sections of the proposed measure.

2 Department Testimony:  The DOH offers comments on Senate Bill 2304, Senate Draft 1 (S.B. 2304, SD1) as a measure to protect youth by reducing the use, access, and exposure to tobacco products. The DOH defers to the AG on the legality and enforceability of the amendments proposed to §328J, Hawaii Revised Statutes (HRS), and to the DOTAX for implementation of tobacco licensing, and permitting amendments to §245-2.5, HRS.

The DOH finds support in public health literature for creating “tobacco-free buffer zones” around schools, parks, and public housing as a regulatory strategy to reduce youth initiation to tobacco products like traditional cigarettes and e-cigarettes, also known as electronic smoking devices (ESDs). According to studies published by the American Journal of Public Health, “experimental smoking among high school-aged minors increases when tobacco retailers are closer to schools and densely populate those locations.”

3 The Institute of Medicine also suggests that restricting tobacco retail outlets near schools will impact youth tobacco use through limiting sales and reduced access. This is supported by additional tobacco outlet studies that


confirm that “proximity to schools is significant because smoking patterns are almost exclusively
developed during the adolescent and teen years. Availability, accessibility, and the perception
that smoking is normal are all associated with higher youth smoking rates.”

The licensing strategy for creating tobacco-free buffer zones around schools and
playgrounds by prohibiting tobacco retail outlets in these specific areas has the support of the
public health community, including the Centers for Disease Control and Prevention. Researchers
from the University of Buffalo and Roswell Park Cancer Institute found tobacco outlets were
concentrated around elementary and secondary schools, and more densely concentrated in lower-income areas. They observed that the environmental impact of these outlets may be intensifying
the tobacco-use disparities between socio-economic groups.

California, New York, and numerous other localities have implemented tobacco retailer
zones, ranging from three hundred to one thousand feet, where sales of tobacco products and
permits for tobacco retailers are prohibited near schools, parks, and other areas frequented by
youth. Comparable laws have been established that prohibit the sale of alcoholic beverages
within certain distances of schools and playgrounds. Youth and alcohol research has shown that
there is a positive association between outlet density and excessive alcohol consumption.
The concept of S.B. 2304, SD1 addresses the social determinants of health, that a person’s zip code is
a better predictor than the genetic code to predict life expectancy.

Thank you for the opportunity to testify.
RE: S.B. 2304; RELATING TO TOBACCO

Chair Dela Cruz, Vice Chair Keith-Agaran, and members of the Senate Committee on Ways and Means, the Office of the Prosecuting Attorney of the County of Kauai submits the following testimony in support of S.B. 2304.

The purpose of this Bill is to prohibit the issuance and renewal beyond November 30, 2019, of retail tobacco permits for businesses that are located within five hundred feet of a preschool, school, or certain public playgrounds, and beginning on December 1, 2019, prohibit the sale of tobacco products and electronic smoking devices by businesses that are located within five hundred feet of a preschool, school, or certain public playgrounds.

Tobacco licensing and zoning laws are effective strategies that can reduce the density of tobacco retailers and access to tobacco products. When more tobacco retailers are located in a given area, their overwhelming presence and marketing gives residents and youth in that community the impression that tobacco and electronic smoking devices are available, accessible, and acceptable.

Restricting the sale of tobacco products and electronic smoking devices near schools, public parks, and public housing matters because the tobacco industry already spends millions of marketing dollars targeting minority populations, youth, and low-income communities. Tobacco store windows and doors are often plastered with colorful, bold ads, and low pricing deals in large fonts. Whether you are keiki walking to school or playground, daily exposure to these promotions suggest that smoking or vaping is acceptable.
We strongly support changing our tobacco zoning restrictions to create an area between schools and tobacco stores where our youth will be protected from onslaught of advertising and retail availability of tobacco and e-cigarette products.

S.B. 2304 is a policy solution that can protect our communities from being disproportionately targeted by tobacco, reduce tobacco-related health disparities, and encourages responsible tobacco retailing. For these reasons, our Office strongly supports the passage of S.B. 2304. Thank you for the opportunity to testify.
Greetings of aloha to Chair DelaCruz, Vice-Chair Keith-Agaran and members of the committee.

Papa Ola Lōkahi, the Native Hawaiian Health Board, **supports** the buffer provided around schools and public playgrounds in SB 2304 SD1.

The legislature may already know that the Native Hawaiian Health Care Improvement Act (**P.L. 111-148, Title 42 USC 122**), originally passed by Congress in 1988 and most recently in 2010 within the Affordable Care Act, authorizes Papa Ola Lōkahi, the five Native Hawaiian Health Care Systems, and the Native Hawaiian Health Scholarship Program to raise the health status of Native Hawaiians. We address health disparities in Hawai‘i by being involved in policy, research, data & information, development and implementation of programs and initiatives, protection and perpetuation of traditional Hawaiian healing practices, workforce development, and more.

We know that in 2009, 8.3% of middle school students in Hawai‘i had been initiated to tobacco use. However, among middle school tobacco users, 12.6% were Native Hawaiian. It’s well documented that the younger a person is when s/he starts smoking, the more likely s/he is to become addicted.

Prevention is the key. Reducing accessibility to tobacco products such as proposed in this bill is a strategy we heartily support.

Mahalo nui for the opportunity to offer testimony **IN SUPPORT of SB 2304 SD1**.
Thank you for the opportunity to submit testimony in STRONG SUPPORT of SB 2304 SD1, which would create a tobacco-free buffer zone by prohibiting the issuance and renewal of retail permits and prohibit the renewal of existing permits within 500 feet of preschools, schools, or public playgrounds frequented by youth.

The Coalition for a Tobacco-Free Hawai‘i (Coalition) is a program of the Hawai‘i Public Health Institute (HIPHI) that is dedicated to reducing tobacco use through education, policy, and advocacy. With more than two decades of history in Hawai‘i, the Coalition has led several campaigns on enacting smoke-free environments, including being the first state in the nation to prohibit the sale of tobacco and electronic smoking devices to purchasers under 21 years of age.

There are more tobacco retailers near schools in low income areas than in other areas
In a community assessment done by the Coalition, more than 246 ESD retailers or vape shops on the island of Oahu alone (see attached map below). Key findings include that:

- In zip codes where the average household income was $103,518, there were 15 total ESD retailers.
- In zip codes where the average household income was $57,070, there were 70 total ESD retailers.

Proximity of ESD retailers show that many stores are within walking distance from schools:

- Farrington High School - 400 feet from E-Cig City
- Washington Middle School - 360 feet from Pipe Dreams
- Kuhio Elementary School - 470 feet from Choke Smoke Shop
- Central Middle School - 675 feet from Vapor Tokers
- Pearl City Elementary School - 240 feet 808 Smokes
- Ho‘ala School – 328 feet from Vapor HI (see screenshot)
A high density of tobacco retailers near schools suggest that smoking and vaping is okay
Studies have shown that a high density of tobacco retailers near schools makes it easier for youth to access tobacco products and is associated with a higher prevalence of youth smoking rates\textsuperscript{ii}. In addition, the daily exposure to tobacco stores and the presence of tobacco retailers give the impression that tobacco and vaping is available and accessible. E-cigarette companies have aggressively marketed their products by glamorizing their use, using celebrities and young adults as endorsers, and making false health claims. E-cigarettes are still tobacco products. The e-cigarette industry is expected to be worth $34 billion by 2021\textsuperscript{iv}, and Big Tobacco companies are estimated to spend $25.5 million dollars annually on advertising in Hawaii\textsuperscript{v}.

Prohibiting tobacco retailers from locating near schools and other youth-oriented areas is an effective policy strategy to reduce tobacco retailer density. In a public poll\textsuperscript{vi} conducted by Ward Research Inc. for the Coalition in November 2017, 85% of registered Hawai‘i voters were in support of prohibiting the sale of tobacco products within a certain distance from schools or playgrounds.

Several cities in California and New York have enacted similar legislation to encourage responsible tobacco retailing, reduce tobacco-related health disparities, and reduce youth tobacco use.

Tobacco use and vaping continues to take toll on Hawaii’s residents and keiki
Tobacco use disproportionately affects marginalized populations—people in low-income communities, racial and ethnic minorities, and LGBT individuals all have a long and documented history of being targeted by the tobacco industry. Tobacco companies are fully aware that low-income communities smoke in much higher numbers than the rest of the country and have the least information about the health hazards of smoking and vaping, the fewest resources and social supports, and often the least access to services that help them quit.

In addition, e-cigarettes have now surpassed cigarettes as the most commonly used tobacco product among youth. The 2017 Hawai‘i Youth Risk Behavior survey reports that 1 in 4 (25.5%) public high school students and more than 1 in 6 (15.7%) public middle school students in Hawai‘i reported that they are regularly vaping\textsuperscript{vii}. E-cigarettes often contain nicotine, which is addictive and harmful particularly to adolescents, whose brains are still developing. A 2016 report by the Surgeon General concluded that e-cigarettes are dangerous and a health threat to youth and young adults\textsuperscript{viii}.

SB2304 SD1 would help to reduce youth exposure to tobacco advertising and access to tobacco products by reducing tobacco retailer density in areas that youth frequent, and as a result help to prevent youth from starting to use tobacco products.

Thank you for the opportunity to testify. We strongly support SB2304 SD1 and respectfully ask you to pass this measure out of committee.

Mahalo,

Trish La Chica, MPA
Policy and Advocacy Director

Attached: Oahu ESD Retailer Map updated 1/4/18
i 96706 (Ewa), 96789 (Millilani), 96821 (Aina Haina), 96825 (Hawaii Kai)
ii 96786 (Wahiawa), 96792 (Waianae), 96817 (Kalihi), 96815 (Waikiki)
vi This study by Ward Research, Inc. summarizes findings from a phone survey among n=804 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between October 24 and November 16, 2017.
vii U.S. Centers for Disease Control and Prevention. Results of the 2017 Hawaii Youth Risk Behavior Survey.
Devin Wolery  
Testifying for PCG Enterprises LLC  
Oppose  
No

Comments:

This bill will force the closure of many local small companies. And will force unemployment on many workers. If bars and places that have alcohol license are still able to operate. Why would other types of businesses be forced to close?
February 23, 2018

Senator Donovan M. Dela Cruz, Chair, Committee on Ways and Means
Senator Gilbert S.C. Keith-Agaran, Vice Chair, Committee on Ways and Means
Honorable Members of the Senate Committee on Ways and Means

RE: Strong Support of SB2304 SD1 Relating to Tobacco

Aloha Chair, Vice-Chair and Members of the Committee:

Blue Zones Project—Hawaii strongly supports SB2304 SD1, which places zoning restrictions for the sale of tobacco products and electronic smoking devices within 500 feet of a school and playgrounds. By regulating the location of sale, the bill addresses areas with highly vulnerable populations to the advertising tactics of the industry.

This bill will help to limit the high visibility of tobacco products and electronic smoking devices in places where youth spend the majority of their time, near schools and parks. Our youth are particularly vulnerable to the aggressive advertising that retailers of ESDs use. Not only do children get the message that ESDs are acceptable, but that it is a cool counterculture, which recognizes the unique aspects of teens and preteens. Furthermore, these retailers use youth focused flavors, techy designs and a variety of discount promotions, which are all appealing to our young people.

At Blue Zones Project we support those efforts that address the rapidly increasing health issues in our communities, such as the adverse health ailments from tobacco and nicotine products. We believe that by working to prohibit the aggressive marketing of tobacco and ESDs within close proximity to parks and schools is one of the ways to reduce rates of use. The retailers have been irresponsible regarding our most vulnerable populations.

The industry’s major focus has always been on increasing their business and furthering their bottom line. It is time that we stand together as a community to more heavily regulate this industry. Please support SB2304 SD1.

Sincerely,

Cherie Andrade
Community Project Manager
Blue Zones Project—Hawaii
SB-2304-SD-1
Submitted on: 2/22/2018 2:12:43 PM
Testimony for WAM on 2/23/2018 11:00:00 AM

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<th>Testifier Position</th>
<th>Present at Hearing</th>
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<tr>
<td>Kurtis M</td>
<td>Testifying for Black Lava Vape</td>
<td>Oppose</td>
<td>No</td>
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Comments:
I am a practicing pediatrician in Honolulu and am in support of this bill. SB2304SD1 will create tobacco-free buffer zones near preschools, public and private K-12 schools, and public playgrounds used by youth, helping to reduce the density of tobacco retailers. We know that minority populations, youth, and low-income communities are already disproportionately affected by tobacco -- buffer zones can help address that. Second hand cigarette smoke can be detrimental to health which is supported by many studies.
Aloha, my name is Katie Folio and I am submitting this testimony as a private citizen residing in Kula, Hawaii on the island of Maui. I support the youth who have chosen this issue as their priority through the CTFH youth council, and I believe it is an important step in protecting our kids from targeting by the tobacco and ESD industries, and to help reduce normalization of the use of these types of products. I am the mother of two beautiful young girls, one of which is in preschool. I hope that my daughters will be protected from exposure to tobacco products as they get older, and this starts with you passing this law.

Mahalo nui loa for your time

Katie Folio

Kula, Maui
Vin Kim
Individual
Oppose
No

Comments:

This law would close a numerous amount of small businesses.
Submitted By | Organization | Testifier Position | Present at Hearing
--- | --- | --- | ---
Jesus Avila | Individual | Oppose | No

Comments:

This bill will force the closure of multiple small businesses which will kill jobs & thus hurt revenue to not only the business but also the State. This will also greatly affect businesses all across the State. The tourism industry will also be impacted because visitors to the state may take this into consideration on future trips to Hawai’i.

There is no grandfather clause in this bill like alcohol has, so while you want to prohibit the sale of tabacco/electronic cig, you allow alcohol to be sold in these areas you deem are bad areas for smokers.

Bars can remain open near them but another business cant?
Comments:

This bill is nonsense.
I strongly support SB2304 SD1 which would create a buffer zone around schools preventing the sales of tobacco and e-cigarettes. Restricting the sale of tobacco products and electronic smoking devices near schools, public parks, and public housing matters because minority populations, youth, and low-income communities are already disproportionately affected by tobacco.

As a youth growing up in Hawaii, I have been constantly exposed to seeing vaping and the "fun Hawaii-exclusive" flavors, which cause my peers to succumb to their curiosity and try vaping illegally. Additionally, there are numerous pro-vape advertisements around social media, such as Instagram and Twitter. These photos can be "blocked" online, but they have no restrictions in real life. It is our responsibility to shield the youth from these influences.

Vaping, like smoking, is scarily addictive for students. Moreover, it can lead to serious health concerns in the future that they are unaware of or don't consider. I know firsthand that students are already dealing with peer pressure to try vaping; why should these products be so convenient and close to schools?

There is no reason for vape to be sold nearby a school. I humbly ask that you please consider Hawaii’s future and protect the keiki.

Mahalo

Sara Kay

Punahou School Grade 12