

STAND. COM. REP. NO.

1600

Honolulu, Hawaii

MAR 22 , 2019

RE: S.B. No. 1405
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committees on Consumer Protection & Commerce and
Judiciary, to which was referred S.B. No. 1405, S.D. 2, H.D. 1,
entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC SMOKING PRODUCTS,"

beg leave to report as follows:

The purpose of this measure is to deter the use of electronic
smoking devices and treat electronic smoking devices and e-liquid
products similarly to tobacco products by:

- (1) Prohibiting the shipment of e-liquid products with
limited exceptions; and
- (2) Including e-liquid and electronic smoking devices
containing e-liquid within the definition of "tobacco
product" for the purposes of the Cigarette Tax and
Tobacco Tax Law, thereby:
 - (A) Subjecting e-liquid and electronic smoking devices
containing e-liquid to the excise tax on tobacco
products;



- (B) Requiring retailers of e-liquid to obtain a retail tobacco permit to sell, possess, keep, acquire, distribute, or transport e-liquid;
- (C) Prohibiting persons from engaging in the business of a wholesaler or dealer of e-liquid without first obtaining a license from the Department of Taxation; and
- (D) Applying other requirements of chapter 245, Hawaii Revised Statutes.

This measure also:

- (1) Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products;
- (2) Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products;
- (3) Allocates portions of the tobacco tax revenues to the Tobacco Prevention and Control Trust Fund and to the University of Hawaii Cancer Center to support tobacco and cancer prevention research; and
- (4) Repeals various obsolete statutory provisions relating to electronic smoking devices.

The Department of Health, Department of Taxation, a Councilmember of the Maui County Council, Hawaii Primary Care Association, Hawaii State Teachers Association, American Heart Association, We Are One, Inc., Blue Zones Project-Hawaii, Lanai Community Health Center, Coalition for a Tobacco-Free Hawai'i, American Cancer Society Cancer Action Network, Hawai'i Pacific Health, Adventist Health Castle, Breathe Aloha Club at UH Manoa, and numerous individuals testified in support of this measure. Irie Hawaii Stores, Hawaii Smokers Alliance, Retail Merchants of Hawaii, VOLCANO Fine Electronic Cigarettes, and numerous individuals opposed this measure. The Department of the Attorney General provided comments on this measure.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that



are attached to this report, your Committees are in accord with the intent and purpose of S.B. No. 1405, S.D. 2, H.D. 1, and recommend that it be referred to your Committee on Finance.

Respectfully submitted on behalf of the members of the Committees on Consumer Protection & Commerce and Judiciary,



CHRIS LEE, Chair



ROY M. TAKUMI, Chair



State of Hawaii
House of Representatives
The THIRTIETH Legislature

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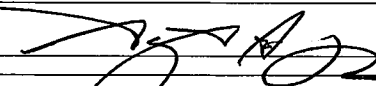
Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 1405 SD2 HD1	Committee Referral: HLT, CPC/JUD, FIN	Date: 3/20/19		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au				✓
5. CABANILLA ARAKAWA, Rida			✓	
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.	✓			
8. KONG, Sam Satoru	✓			
9. MIZUNO, John M.	✓			
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren	✓			
TOTAL (11)	9	0	1	1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <small style="margin-left: 100px;">committee acronym(s)</small>				
Vice Chair's or designee's signature: <i>Linda Ichiyama</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				

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Record of Votes of the Committee on Judiciary

Bill/Resolution No.: S01405 S02 HD1	Committee Referral: HLT, CPC/JUD, FIN	Date: 3/20/19		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	/			
2. SAN BUENAVENTURA, Joy A. (VC)		/		
3. BROWER, Tom				/
4. CREAGAN, Richard P.	/			
5. LOWEN, Nicole E.	/			
6. McKELVEY, Angus L.K.	/			
7. MORIKAWA, Dee	/			
8. SAY, Calvin K.Y.	/			
9. TAKAYAMA, Gregg	/			
10. YAMANE, Ryan I.				/
11. THIELEN, Cynthia	/			
TOTAL (11)	8	1		2
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				