

Honolulu, Hawaii

FEB 13 2020

RE: S.B. No. 2227
S.D. 1

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Commerce, Consumer Protection, and Health,
to which was referred S.B. No. 2227 entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to:

- (1) Require that e-liquid and electronic smoking devices be included within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law;
- (2) Increase the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products;
- (3) Increase the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products;
- (4) Allocate a portion of funds collected on excise taxes on tobacco products to fund health education, prevention, and nicotine cessation programs for youth regarding the risks and dangers of the use of electronic smoking devices; and
- (5) Repeal certain provisions of the Hawaii Revised Statutes relating to electronic smoking devices.



Your Committee received testimony in support of this measure from the Department of Taxation; University of Hawai'i System; University of Hawaii Student Health Advisory Council; American Heart Association; American Cancer Society Cancer Action Network; Hawai'i Public Health Institute; Hawaii Dental Hygienists' Association; Hawai'i Primary Care Association; American Academy of Pediatrics, Hawaii Chapter; Hawai'i Pacific Health; West Hawaii Community Health Center; Hui No Ke Ola Pono; Hawaii Youth Services Network; The Friends of Kamalani and Lydgate Park; Kapi'olani Smokefree Families; Hawaii State Teachers Association; and numerous individuals. Your Committee received testimony in opposition to this measure from the Hawaii Smokers Alliance; Tobacco King, LLC; VOLCANO Fine Electronic Cigarettes; and forty-five individuals. Your Committee received comments on this measure from the Department of the Attorney General, Tax Foundation of Hawaii, and one individual.

Your Committee finds that the use of electronic smoking devices has been increasing exponentially and that electronic cigarette use is especially popular among youth in Hawaii. While young people's use of electronic cigarettes has risen nationally, use in Hawaii by young people is even higher.

Your Committee further finds that the rapid growth of the electronic smoking device industry, including retail businesses selling electronic smoking devices or e-liquids, necessitates further regulation to protect consumers, such as creating policy parity between the sale of electronic cigarettes and the sale of traditional cigarettes through tobacco taxation and allocating resources for health education for youth about the risks and dangers of using electronic smoking devices.

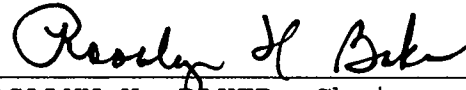
Your Committee has amended this measure by:

- (1) Replacing the term "e-smoking device" with "electronic smoking device" to create uniformity with existing state law;
- (2) Inserting an effective date of September 1, 2020; and
- (3) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.



As affirmed by the record of votes of the members of your Committee on Commerce, Consumer Protection, and Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2227, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 1, and be referred to your Committees on Judiciary and Ways and Means.

Respectfully submitted on
behalf of the members of the
Committee on Commerce, Consumer
Protection, and Health,

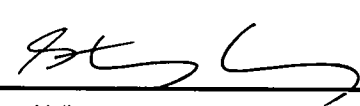


ROSALYN H. BAKER, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Commerce, Consumer Protection, and Health
CPH

Bill / Resolution No.:*	Committee Referral:	Date:		
SB2227	CPH, JDC IWAH	2/5/20		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312	<input checked="" type="checkbox"/> Pass, with amendments 2311	<input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313		
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
CHANG, Stanley (VC)	✓			
NISHIHARA, Clarence K.	✓			
RUDERMAN, Russell E.				✓
THIELEN, Laura H.				✓
WAKAI, Glenn	✓			
FEVELLA, Kurt	✓			
TOTAL	5			2
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes