

SB646

LATE

TESTIMONY



NEIL ABERCROMBIE
GOVERNOR

EXECUTIVE CHAMBERS
HONOLULU

Testimony in **SUPPORT** of SB 646
Relating to Health

Committee on Health
Senator Josh Green, Chair
Senator Rosalyn Baker, Vice Chair

February 6, 2013
2:15 pm
Room 229

Chair Green, Vice Chair Baker, and members of the Senate Health Committee the Office of the Governor **supports** Senate Bill 646, Relating to Health.

This measure proposes to establish a tax on sugar-sweetened beverages and deposit portions of the revenue to the Community Health Centers Special Fund and the Trauma System Special Fund. We strongly agree that we need to begin to address the obesity and other obesity-related medical problems that are a result of sugar-sweetened beverage consumption. Reducing the consumption of sugary beverages is one part of a strategy in the fight against obesity.

We prefer the administration's proposal, SB 1085 relating to Obesity Prevention which establishes a fee mechanism and deposits funds into an Obesity and Chronic Disease Special Fund.

We believe this is a good start to address the health needs of our keiki and people of Hawaii.

Thank you for the opportunity to testify.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

SENATE COMMITTEE ON HEALTH

SB646, RELATING TO HEALTH

Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health

February 6, 2013

- 1 **Department's Position:** The Department of Health (DOH) strongly supports this measure, with
2 recommended amendments on the use of the collected funds. The DOH defers to the Department of
3 Taxation on the administration of the tax collection and enforcement portions of the proposed measure.
- 4 **Fiscal Implications:** Would create a community health centers special fund and a trauma system
5 special fund consisting of revenue from a sugar-sweetened beverage tax. Excess revenues would be
6 deposited into the general fund. The Department recommends that a portion of the funds collected be
7 designated to establish a special fund for obesity and chronic disease prevention programs. Such a
8 special fund has an immediate nexus to the tax as a public health policy to address the health impact of
9 consuming sugary beverages.
- 10 **Purpose and Justification:** The purpose of Senate Bill 646 is to establish a tax on the sale of sugar-
11 sweetened beverages in the State, to help encourage Hawaii citizens to make healthy decisions relating
12 to the consumption of sugar-sweetened beverages. The proposed distribution of the revenue are to the
13 community health centers special fund and the trauma system special fund, with excess revenues
14 deposited into the general fund.

1 The Department prefers funding language found in SB1085, which would assess a fee on sugary
2 beverages and establish an obesity prevention special fund. The special fund would be administered by
3 the Department to support population-based programs that use educational, environmental, policy, and
4 other public health approaches relating to diabetes, cardiovascular disease, promotion of healthy
5 lifestyles, physical fitness, nutrition, early childhood health, and other prevention-oriented public health
6 programs. This approach reflects the recommendations to state governments from national
7 organizations, model legislation, and national reports on sugar sweetened beverage taxes; to direct some
8 of the revenue generated from beverage tax initiatives toward public health and obesity prevention
9 efforts as a way to impact rising obesity rates.

10 A tax on sugared sweetened beverages aimed at reducing consumption is recognized as an
11 effective public health intervention. The Division of Physical Activity, Nutrition and Obesity (DNPAO)
12 at the Centers for Disease Control and Prevention (CDC) recommends decreasing the consumption of
13 sugar-sweetened beverages as one of six evidence-based strategies for preventing and reducing
14 overweight and obesity. The newly released 2010 Dietary Guidelines for Americans also recommends
15 reducing the intake of sugar-sweetened beverages as a method to control calorie intake and managing
16 body weight.

17 In Hawaii, adult obesity has more than doubled between 1995 and 2010 and childhood obesity
18 increased 29 percent from 1999 to 2011. Obesity-related medical expenditures in Hawaii were
19 calculated to be over \$470 million in 2009, and are continuing to rise. Sugar-sweetened beverages have
20 been identified by countless scientific studies as a major contributor to our costly obesity epidemic. A
21 2004 study found that sugared soft drinks are the single largest contributor of calorie intake in the
22 United States. Currently children and adults consume 172 and 175 calories respectively from sugar-
23 sweetened beverages a day. Children and adolescents now consume 10 to 15 percent of their daily
24 caloric intake from sugar-sweetened beverages, these are calories that otherwise meet no nutritional

1 need. There is also a strong correlation between weight and soda consumption. In children each
2 additional 12 ounce soft drink consumed per day by children, increases their odds of becoming obese by
3 60%. A 2009 California study found that adults who drink one or more soda a day are 27% more likely
4 to be overweight or obese than those who do not drink soda. Reducing sugar-sweetened beverage
5 consumption and limiting overall liquid calories is also linked to weight loss in adults.

6 A tax on sugar-sweetened beverages could have both fiscal and health impacts. Economic
7 incentives are among the most effective tools to change behavior as tobacco taxes have demonstrated.
8 Hawaii's tobacco taxes have helped to drive the states smoking rates to historic lows. Smoking among
9 high school students decreased 65% from 2000 to 2011. Price has been shown to influence food
10 purchasing behavior as well. Based on the best estimates to date of the responsiveness of demand for
11 soft drinks to changes in price, a 10% tax could result in an 8-10% reduction in consumption. The
12 effects could be higher for heavy users of soft drinks.

13 According to the Yale-Rudd Center for Childhood Obesity's Revenue Calculator for Sugar-
14 sweetened Beverages, tax revenue could amount to over \$38 million dollars in 2014 for Hawaii, if
15 sugar-sweetened beverages were taxed a penny per ounce. Scientific polling data in Hawaii has
16 demonstrated that 65.6% of respondents would support a tax on sugar-sweetened beverages to fund
17 programs to fight childhood obesity. Research suggests the most effective sugar-sweetened beverage be
18 a tax of one cent per ounce (or \$1.28 per gallon) of beverages that have any added caloric sweetener,
19 though higher taxes would have greater benefits. Benefits of a tax include the following: consumers see
20 the increased price at point of purchase; is imposed at the bottler, distributor, wholesaler, or importer
21 level, making it easier to collect; does not change if industry reduces prices; includes syrup used in
22 fountain drinks; and generates a more stable and predictable revenue.

1 The Department strongly supports passage of SB646, with amendments to designate a portion of
2 the revenue to establish an obesity and chronic disease special fund. Thank you for the opportunity to
3 provide testimony.



Wednesday, February 6, 2013

Wednesday, February 6, 2013
2:15 P.M.
Conference Room 229

To: Senate Committee on Health
Senator Josh Green, M.D., Chair

From: Hawaii Public Health Association
Deborah Zeisman, President

Re: **Support with Recommendations, SB646, Relating to Health**

Dear Senator Green & Members of the Senate Committee on Health,

The Hawaii Public Health Association (HPHA) strongly supports SB646 that establishes a tax on the sale of sugar-sweetened beverages in the State, but recommends amendments on the use of the collected funds. Funds collected from this tax would be utilized to create a community health centers special fund and a trauma system special fund. Excess revenues would be deposited into the general fund. HPHA recommends that funds instead be utilized for obesity prevention efforts. National organizations, model legislation, and national reports on sugar sweetened beverage taxes strongly advocate that state governments direct the revenue generated from beverage tax initiatives toward public health and obesity prevention efforts as a way to impact rising obesity rates.

The Hawaii Public Health Association was founded in 1945. Our membership consists of more than 600 public health professionals working in governmental agencies and non-profit organizations statewide, and our mission is to promote public health in Hawaii through leadership, collaboration, education and advocacy.

Decisive public health policy measures must be implemented to counteract the rising rates of sugar-sweetened beverage consumption among children and adults in the United States. Sugar-sweetened beverages are the largest source of excess calories in the U.S. diet. Children and adolescents, now consume 10 to 15 percent of their daily caloric intake from sugar-sweetened beverages, calories that otherwise meet no nutritional need. Consumption of these drinks is a significant contributor to the obesity epidemic and increases the risk of type 2 diabetes, heart disease, and dental decay.

Obesity related chronic diseases cost the country billions of health care dollars each year and are complex problems which must be addressed with multi-faceted strategies, including policy initiatives. Obesity related expenditures in Hawaii were calculated to be over \$470 million in 2009, and are continuing to rise. Taxing certain classes of products to reduce consumption has been proposed as

one means of improving the nutrition, raising revenue for health programs, and recovering costs caused by consumption of calorie-dense, nutrient poor foods.

A sugar-sweetened beverage tax would be beneficial for Hawaii in that it could help improve the health of Hawaii residents, would raise funds for crucial public health programs, and could lead to a decrease in obesity related medical expenditures in our State. If passed, a rigorous evaluation of the impact of the tax should be conducted throughout its implementation. We urge you to support the passage of SB646. Thank you for the opportunity to testify.

Sincerely,

Deborah Zeisman, President

Testimony of
Phyllis Dendle

Before:
Senate Committee on Health
The Honorable Josh Green, M.D., Chair
The Honorable Rosalyn H. Baker, Vice Chair

February 06, 2013
2:15 pm
Conference Room 229

SB 646 RELATING TO HEALTH

Chair Green and committee members, thank you for this opportunity to provide testimony on SB646 regarding establishing a tax on sugar-sweetened beverages.

We make no comment on the tax but are providing information on sugar-sweetened beverages.

We appreciate the committee efforts to reduce obesity by encouraging people to consume less sugar, in this case in soft drinks. At Kaiser Permanente reducing the consumption of sugary beverages is one of the four parts of the 5-2-1-0 program that we advocate to have health children and healthy families.

We recommend that all members of the family, but particularly children, eat **5** servings a day of fruits, roots and vegetables. Limiting time in front of the television or computer at home to no more than **2** hours a day makes time for other activities. In the time not spent on the computer children should get at least **1** hour of physical activity everyday. Sugar sweetened beverages, especially soda, fruit drinks and sports drinks contain excess sugar and calories without contributing any health benefits. We recommend **0** sugary drinks and suggest drinking low fat milk or water as an alternative.

This simple to remember formula teaches the first steps toward improved health for children and their families. Attached you will find a flyer we distribute to families to help them remember the 5-2-1-0 health tips. Thank you for the chance to provide this information.

Simple Steps for a Healthy Ohana



Healthy kids and healthy families make everything possible. Eating and physical activity patterns start in early childhood. 5-2-1-0 is our way of promoting healthy lifestyles for children and families. We realize healthy living can be challenging so we encourage everyone to start small, think big and take one step at a time.

EAT HEALTHY

5 FRUITS, ROOTS & VEGETABLES

Fruits, roots and vegetables, including root vegetables such as taro (poi) and sweet potato, are packed with nutrients. To get the amount recommended, most of us need to increase the amount of fruits, roots and veggies we currently eat.

WATCH LESS

2 HOURS OF SCREEN TIME

Two hours or less of computer, video and TV screen time every day. Increased screen time has been linked to lower reading scores, behavioral problems and unhealthy weight.

PLAY MORE

1 HOUR OF PHYSICAL ACTIVITY

Activity that makes your heart pump faster and your body breathe harder make you strong, helps you feel good and think clearly. Kids in active families are more likely to be active adults.

CUT DOWN

0 SUGARY DRINKS

Sugary drinks such as soda, sweetened tea, sports drinks, fruit punch and other fruit-flavored drinks have little health benefit. Sweetened beverages add empty calories, about 150 calories and 9 teaspoons of sugar per 12 oz. can of soda.

HEALTHY TIPS

- A Be a role model - Include at least one fruit, root or vegetable at every meal and snack
- B When possible, avoid frying – try steaming, baking, stir-frying
- C Try-A-Bite rule - Offer new fruits, roots and veggies and encourage everyone in the family to try a few bites each time. It can take 7 to 10 tries to like a new food.

HEALTHY TIPS

- A Encourage your whole family to decrease screen time to 2 hours or less each day
- B Keep the TV and computers in a central location and out of your child's bedroom
- C Enjoy your family - turn off the TV when eating and talk about the day

HEALTHY TIPS

- A Take gradual steps to increase your physical activity level
- B Do short amounts of activity several times a day until they add up to 60 or more minutes each day.
- C Physical activity should be fun – swimming, surfing, paddling, walking, running, dancing, gardening and yes, even vacuuming!

HEALTHY TIPS

- A Encourage your family to love water. Serve it. Choose it. If it's there, people will drink it. And remember water has zero calories.
- B Be wary of commercials. Juice products labeled "-ade", "drink" or punch" often contain mostly corn syrup sweetener and less than 5% real juice.
- C For kids 2 years and older, encourage fat free or low fat milk rather than whole milk



To: The Honorable Senator Josh Green, Chair, Committee on Health
The Honorable Senator Rosalyn Baker, Vice Chair, Committee on Health
Members, Senate Committee on Health

From: Stacy Evensen, Healthy Communities Hawaii, Board Chair-Elect

Date: February 5, 2013

Hrg: Senate Committee on Health, Wednesday, February 6, 2013 at 2:15 pm in Room 229

Re: **Comments on SB 646, Relating to Health**

Thank you for the opportunity to offer comments on SB 646 which would establish a tax on the sale of sugar-sweetened beverages in the State.

My name is Stacy Evensen and I am the Board Chair-Elect for Healthy Communities Hawaii (HCH,) the umbrella organization for the Coalition for a Tobacco-Free Hawaii (CTFH). The mission of HCH is "to improve health and quality of life in Hawaii."

Currently, 23% of the adults in Hawaii are obese and 25% of its youth are overweight or obese.¹ Approximately 1 out of every 3 children entering Kindergarten are overweight or obese.² Obesity rates continue to rise and have been linked to a number of chronic diseases including heart disease, diabetes, certain types of cancers and premature death. Due to the costs associated with treating these illnesses, high obesity rates have a tremendous economic impact on our State. In 2009 alone, obesity-related medical expenses in Hawaii were calculated to be over \$470 million.³

Addressing obesity issues requires policy and environmental changes that reach the entire population. While sugar sweetened beverages are not the only contributing factor that leads to obesity, it is the leading source of empty calories in the average U.S. diet, and is a major contributor to this growing epidemic.⁴ In Hawaii 53.3% of adults drink soda at least two to four times a month and 25.9% drink soda almost every day, while children and adolescents derive 10-15% of their total calories from sugary beverages.^{5,6} Because we cannot count on education as the singular method to reverse these trends,

¹ Behavioral risk Factor Surveillance study (BRFSS).

² Pobutsky A and Bradbury E. 2011. Surveillance of Overweight/Obesity in Hawaii Public School Students Entering Kindergarten in 2002-2003 and 2007-2008. Hawaii State Department of Health, Chronic Disease Management and Control Branch. Poster presentation for the Council of State and Territorial Epidemiologists Annual Conference, 2011.

³ Trogon, JG, Finkelstein, EA, Feagan, CW, et al. State- and Payer-Specific Estimates of annual Medical Expenditures attributable to Obesity. *Obesity*, 2012; 20(1): 214-220.

⁴ Source: Table 5a. mean Intake of Added Sugars & Percentage Contribution of Various Foods Among US Population, by Age, NHANES 2005-6 <http://riskfactor.cancer.gov/diet/foodsources/added_sugars/table5a.html>

⁵ Maddock, J.E., Marshall, C., nigg, C.R., & Barnett, J.D. (2003). Development and first year results of a psychosocial surveillance system for chronic disease related health behaviors. *Californian journal of health Promotion*, 1(5), 54-64.

⁶ Wang, Y., et.al., increasing Caloric Contribution From sugar-Sweetened Beverages and 100% Fruit Juices Among US Children and Adolescents, 1988-2000. *Pediatrics* 2008.

increasing the price of sweetened beverages has the potential to reduce consumption of these beverages as well as developing a new revenue stream to combat the childhood obesity problem.

We are very supportive of efforts to reduce consumption of sugar-sweetened beverages and to reduce obesity, but we recommend that the funds produced from this tax be utilized for obesity prevention efforts. Support for a sugar-sweetened beverage tax was found when the revenue generated was used specifically to fund programs to fight childhood obesity. The random digital survey of Hawaii adults ages 18-54 conducted in 2011 found that 65.6% supported the fee.⁷

We appreciate the intent of this bill and thank you for the opportunity to offer comment.

⁷ Maddock, J.E., Sinclair, B., & Richards, K. (2012). Assessing support for taxing sugar sweetened beverages in Hawaii. Presented at the Annual Meeting of the American Public Health Association, San Francisco, CA.



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Senate Committee on Health
Senator Josh Green, Chair
Senator Roz Baker, Vice Chair

Hearing: February 6, 2013; 2:15 p.m.

SB 646 – RELATING TO HEALTH

Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide comments on SB 646, which establishes a \$.01 tax per teaspoon of sugar on sugar sweetened beverages with the money dedicated to the community health centers and trauma system special fund.

The American Cancer Society Cancer Action Network (ACS CAN), the advocacy affiliate of the American Cancer Society, is the nation's leading cancer advocacy organization. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

The purpose of this measure is to establish a tax on sugar sweetened beverages, syrup, and powder with revenues to be deposited into the community health centers fund and the trauma system special fund. The more important purpose of this measure, however, is its attempt to curb the consumption of sugar sweetened beverages as a means to address our obesity epidemic. Obesity in Hawaii has grown over the last decade. According to the U.S. Centers for Disease Control, the number of obese adults rose from 11% in 1995 to 23% in 2010. This is more than double. Even more troubling is that from 1999-2009, the percentage of obese high school students rose 38% from 10.5% to 14.5% of students.

Obesity is a major risk factor in certain types of cancer. According to the American Cancer Society's 2012 Guidelines on Nutrition and Physical Activity for Cancer Prevention, obesity is clearly associated with increased risks of the following cancer types:

- Adenocarcinoma of the Esophagus, Pancreas;
- Colon and rectum;

Breast (after menopause);
Endometrium (lining of the uterus);
Kidney; and
Gallbladder

Obesity may also be associated with increased risk of cancer of the liver, non-Hodgkin lymphoma, multiple myeloma, cancer of the cervix, cancer of the ovary, and aggressive prostate cancer.

How exactly is obesity linked to cancer? Here are some examples from the American Cancer Society and the National Cancer Institute:

- Fat tissue produces excess amounts of estrogen, high levels of which have been associated with the risk of breast, endometrial, and some other cancers.
- Obese people often have increased levels of insulin and insulin-like growth factor-1 (IGF-1) in their blood (a condition known as hyperinsulinemia or insulin resistance), which may promote the development of certain tumors.
- Fat cells produce hormones, called adipokines that may stimulate or inhibit cell growth. For example, leptin, which is more abundant in obese people, seems to promote cell proliferation, whereas adiponectin, which is less abundant in obese people, may have antiproliferative effects.
- Fat cells may also have direct and indirect effects on other tumor growth regulators, including mammalian target of rapamycin (mTOR) and AMP-activated protein kinase.
- Obese people often have chronic low-level, or “subacute,” inflammation, which has been associated with increased cancer risk.
- Sugar sweetened beverages, while not the only contributing factor to obesity, is the leading source of empty calories in the average U.S. diet. Forty-six percent of all added sugars in the diets of the U.S. population come from sugar sweetened beverages – more than candy, dairy based desserts, cereal, table sugar, honey, and other foods combined.

While we are very supportive of efforts to curb consumption of sugar-sweetened beverages and to reduce obesity, we recommend the following changes:

- The amount of tax levied on a sugar sweetened beverage must be high enough to curb consumption. We recommend a tax of one cent per ounce.
- The revenue deposited into the community health centers fund and the trauma system special fund should primarily be dedicated to funding health programs including those to further reduce obesity by promoting nutrition and physical activity.
- We recommend flavored milk be exempted as even though it contains added sugar, milk provides calcium and other important nutrients, and the Dietary Guidelines for Americans recommends that people increase their intake of fat-free and low-fat milk.

- We recommend exempting diluted fruit beverages with no caloric sweeteners (those made with real fruit juice and water but with no added caloric sweeteners), as these provide the nutritional benefits of juice with fewer calories. Fruit drinks with any added sugars should not be exempted.
- We defer to the Department of Taxation as to the mechanics of implementing the tax, but recommend a tax based at the point-of-sale. This mechanism would ensure that the tax applies to the consumer for purchase consideration rather than providing the taxpayer the ability to evenly distribute the cost effect of the tax.
- Evaluation of the impact of the tax on consumption, total calorie intake and other health outcomes is recommended. To conduct a proper evaluation it is important that records be kept for a minimum of two years without the exemption that the department may consent in writing to the destruction of records within that two year period.

ACS CAN appreciates this Committee's willingness to continue the discussion of the relationship between sugar sweetened beverages, obesity, and cancer and other chronic diseases. We are not only concerned with the overall health of adults -- but more importantly -- our children. Thank you for allowing us the opportunity to provide testimony on this measure.



American Heart Association | American Stroke Association

Learn and Live.

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Testimony on SB 646, "RELATING TO HEALTH"

The American Heart Association offers comment on SB 646, "Relating to Health."

Sugar-sweetened beverages, while not the only cause of obesity in Hawaii's adults and children, are one of the leading dietary factors. **They represent approximately 15 percent of the calories consumed on average, the single largest contributor of calorie intake**, and most sugar-sweetened beverages contain little or no nutritional value. While candy (6%) and grain or dairy-based desserts (19%) combine to represent 25% of added sugars in the U.S. diet, **sugar sweetened beverages represent 50% of added sugars in our diet**. Thus, any discussion of reducing obesity must begin with policies that discourage overconsumption of those beverages.

SB 646 proposes to add a 1 cent per ounce tax on sugar-sweetened beverages. However, a tax increase on sugar-sweetened beverages in and of itself may not have a full impact on consumption rates. To achieve full health benefits, any tax on sugar-sweetened beverages must include a requirement that the tax be passed on to the consumer. SB 646 does not insure that. It leaves open the opportunity for the beverage industry to spread out the tax over all of its variety of beverages sold, including those calorically sweetened, but also on diet beverages, 100% fruit juices and water. That would in effect dilute the intended impact of the tax which is to encourage consumers to drink less caloric-laden beverages, and switch to healthier and/or lower calorie beverage options.

SB 646 also does not allocate the proposed revenue toward comprehensive obesity prevention programs. While it is true that over-consumption of sugar-sweetened beverages contributes largely to the obesity crisis, there are other societal issues that must also be addressed to achieve the broadest effect on overweight and obesity reduction. To address those issues, revenue from a tax on sugar-sweetened beverages should be earmarked to fund comprehensive community obesity-prevention programs aimed at achieving healthier eating and increased physical activity.

While SB 646 fails to achieve those key points, the AHA feels that SB 1085 does include the broader range of goals needed to achieve a more effective reduction in overweight and obesity. The AHA urges Hawaii legislators to support SB 1085.

Respectfully submitted,

Donald B. Weisman
Hawaii Government Relations/Mission:Lifeline Director

Serving Hawaii since 1948

For information on the AHA's educational or research programs, contact your nearest AHA office, or visit our web site at www.americanheart.org or e-mail us at hawaii@heart.org

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TAXBILLSERVICE

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Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, Tax on sugar sweetened beverages

BILL NUMBER: SB 646

INTRODUCED BY: Green, Ruderman and 2 Democrats

BRIEF SUMMARY: Adds a new chapter to Title 14 to establish a sugar-sweetened beverage tax.

Requires a distributor selling sugar-sweetened beverages, syrup, or powder in this state to pay a tax of 1 cent per teaspoon of sugar placed into bottled sugar-sweetened beverages or the equivalent amount of concentrate sold to a retailer for sale in the state to a consumer. Any retailer that sells bottled sugar-sweetened beverages, syrup, or powder in the state to a consumer on which the tax imposed by this section has not been paid by a distributor, shall be liable for the tax at the time of the sale to the consumer.

Delineates provisions for the filing of the return, payment, penalties, record keeping, inspection of records, and appeals related to the imposition of the tax.

All moneys collected pursuant to this chapter shall be distributed as follows: (1) ____% deposited into the community health center special fund established under HRS section 321-1.65; and (2) ____% deposited into the trauma system special fund established under HRS section 321-22.5.

The following shall be exempt from the tax imposed under this chapter: (1) bottled sugar-sweetened beverages, syrups, and powder sold to the United States government and American Indian tribal governments; (2) bottled sugar-sweetened beverages, syrups, and powder sold by a distributor or a retailer expressly for resale or consumption outside the state; and (3) bottled sugar-sweetened beverages, syrups, and powder sold by a distributor to another distributor if the sales invoice clearly indicates that the sale is exempt. If the sale is to a person who is both a distributor and a retailer, the sale shall be exempt and the tax shall be paid when the purchasing distributor/retailer resells the product to a retailer or a consumer. This exemption does not apply to any other sale to a retailer.

Defines “caloric sweetener” as any caloric substance suitable for human consumption that humans perceive as sweet and includes sucrose, fructose, glucose, other sugars, and fruit juice concentrates, but does not include non-caloric sweeteners. For purposes of this definition, “caloric” means a substance that adds calories to the diet of a person who consumes that substance. Defines “non-caloric sweetener” as any non-caloric substance suitable for human consumption that humans perceive as sweet and includes aspartame, saccharin, stevia, and sucralose, but does not include caloric sweeteners. Defines “sugar-sweetened beverage” as any beverage that contains less than one-half of 1% alcohol per volume, whether carbonated or noncarbonated, that is intended for human consumption and contains any added caloric sweetener. Sugar-sweetened beverages shall not include: (1) beverages sweetened with non-caloric sweeteners; (2) beverages consisting of 100% natural fruit or vegetable juice with no added caloric sweetener. For purposes of this paragraph, “natural fruit juice” and “natural vegetable juice” shall mean: (1) the original liquid resulting from the pressing of fruits or vegetables, or the liquid resulting

from the dilution of dehydrated natural fruit juice or natural vegetable juice; (2) milk without any added caloric sweetener; (3) coffee or tea without added caloric sweetener; (4) infant formula; or (5) water to which neither carbonation nor any other substance has been added except for minerals and non-caloric flavoring agents.

Defines “bottle,” “bottled sugar-sweetened beverage,” “consumer,” “department,” “director,” “distributor,” “fund,” “person,” “place of business,” “powder,” “retailer,” “sale” and “syrup” for purposes of the measure.

EFFECTIVE DATE: Tax years beginning after December 31, 2012

STAFF COMMENTS: This measure proposes a new tax on sugar-sweetened beverages sold in the state. However, it would appear that while diet soft drinks and natural fruit juices are not subject to the proposed tax, studies have indicated that diet soft drinks may also contribute to weight gain, diabetes, and other health problems while natural fruit juices are laden with sugars albeit “natural.” Proponents of a tax on sugary drinks declare that such a tax would act as a disincentive to excessive consumption of such beverages. The problem with that argument is that it penalizes those who may consume such beverages in moderation. Further, this proposal is a piecemeal approach to the whole issue of childhood obesity which proponents claim it targets.

This measure should be recognized for what it truly is, another strategy to raise even more money to expand government, in this case the department of health. High caloric beverages represent just one aspect of the childhood obesity dilemma. Of even greater concern should be the sedentary lifestyle of children today as opposed to fifty years ago. Preoccupied by hand-held devices, children today are more likely to tuck themselves into a corner for hours of texting and e-mailing friends. If one believes that sugary beverages are the culprits of childhood obesity, the lack of physical activity should also be targeted as a major contributor of obesity.

The other obvious phenomenon is that childhood obesity has a marked propensity to be found in children who come from poor families. With limited financial means, poor families do not have access to components of a healthy diet including fresh fruits and vegetables and milk as a beverage instead of the canned soft drinks found in many of these homes. Where food is readily available, these children will overeat in fear that there may not be a next meal or the next meal will be sparse. The bottom line is that there are many contributing factors to childhood obesity and slapping additional taxes on sugary beverages as the panacea fails to recognize and understand the complexity of the issue.

The U.S. Department of Health and Human Services says, “the causes of childhood obesity are multifactorial.” John Rosemond, author of the *Parent Power* column in the daily paper disagrees noting that, “the reason so many of our children are obese is because they consume too much bad stuff and move too little. Their diets are high in bad carbohydrates (i.e., junk food) like french fries, soda and sweets and low in fresh vegetables, fruits and healthful sources of protein. They spend entirely too much time in front of televisions, video games and computers and not enough time in physical activity. And make no mistake, the best physical activity for a child is free play. A child enrolled in an adult-micromanaged sport is not getting half the exercise kids got playing sandlot games in the 1950’s and ’60s, when childhood obesity was rare.”

He goes on to note that, “In rare instances a medical issue might precede childhood obesity, but the typical overweight kid has a lifestyle problem. As such, the solution is for parents to begin making their children’s weight a high priority. Yes, schools need to eliminate carbo-load lunches along with soda and snack machines, but in the final analysis, childhood obesity is going to be prevented and solved at home.”

Rosemond also observes, “This is not rocket science. Eat at least 90 percent of your meals at home, around the table as opposed to in front of a television set. If that means taking your kids out of most after-school activities, do it! Most of them involve minimal activity anyway. Prepare meals that are heart-healthy. When your children are hungry between meals, give them apples, cheese and raw vegetables. When they’re thirsty, direct them to the faucet.”

The tax on sugar-sweetened beverages proposed in this measure should be viewed as a discriminatory tax increase on such beverages. Taxpayers, as well as lawmakers, should view this part of the bill for what it is, a money grab disguised as an effort to prevent childhood obesity. As we have learned from the beverage container deposit fee, unless people’s habits are changed, no financial disincentive, save one that is confiscatory, will discourage or encourage certain types of human behavior. Further, economics more than not dictates what families consume. For example, fresh vegetables and fresh fruit that contribute to a healthier diet are sometimes beyond the means of the poor so they tend to consume large quantities of carbohydrates because they are cheap and filling, but not particularly healthy. If the intent is to promote healthier eating patterns, then that goal can be achieved only with education and understanding on the part of families to replace unhealthy choices with healthy choices. This proposal lacks understanding of what it takes to solve the problem of childhood obesity, high blood pressure and diabetes and focuses only on sugar-sweetened beverages as the cause of the problem, at the very least it is myopic.

To adopt this measure in the belief that it will deter the consumption of such beverages and, therefore, address childhood obesity would be a great disservice to all children as the problem is multifaceted. Adoption of this measure in the belief it will prevent this disease reflects ignorance of the problem.

From an administrative and compliance perspective, these proposals to tax sweetened sugary drinks may pose a challenge as products are developed. For example, does a “power” drink like “Red Bull” which may have little or no sweetener be tagged with the tax or for that matter, what about nutritional supplements like Ensure and Pediasure - because they contain a small amount of sugar will they also be subject to the tax? What is obvious is that the proposed tax discriminates against those consumers who use these sweetened products in moderation or use products as critical nutritional supplements.

If lawmakers believe that imposing a financial disincentive to discourage the consumption of any product that contributes to childhood obesity is necessary, then they may want to explore a confiscatory tax on all hand-held devices like Ipods and I pads, cell phones and android devices.

Finally, while this measure would distribute the moneys from the sugar-sweetened beverage tax into the community health centers special fund and the trauma system special fund, a direct appropriation for these programs would be preferable than the earmarking mechanism proposed in this measure.



House of Representatives
Twenty-Seventh Legislature, 2013
State of Hawai'i

TO: Honorable Josh Green, Chair
Honorable Rosalyn Baker, Vice Chair
Members of the Committee on Health

DATE: Wednesday, February 6, 2013
TIME: 2:15 PM
PLACE: Conference Room 229
Hawai'i State Capitol
415 South Beretania Street
Honolulu, Hawai'i 96813

FROM: National Federation of Independent Business (NFIB) Hawai'i

RE: SENATE BILL 646, RELATING TO HEALTH

Chair Green, Vice Chair Baker and members of the Committee,

Thank you for the opportunity to testify on Senate Bill 646. NFIB Hawai'i respectfully **opposes** this measure.

Senate Bill 646 establishes a tax on sugar-sweetened beverages, syrup, and powder with the revenues generated to be deposited into the community health centers special fund and the trauma system special fund. While we understand and applaud the goal of encouraging consumer health, we do not believe additional taxes will contribute to either the health of the consumer or the economy.

The National Federation of Independent Business is the largest advocacy organization representing small and independent businesses in Washington, D.C., and all 50 state capitals. In Hawaii, NFIB represents more than 1,000 members. NFIB's purpose is to impact public policy at the state and federal level and be a key business resource for small and independent business in America. NFIB also provides timely information designed to help small businesses succeed.

Thank you for the opportunity to testify on this measure.

Testimony in Opposition of Senate Bill 646.

Promotes safety and health in Hawaii by assessing a new sugary beverage fee.

I strongly oppose the passage of Senate Bill 646

Dear Senators

How much should one pay for a drink or a beer or for that matter a cheeseburger? For the sake of Health you will price everything beyond the means to operate a small business in Hawaii. Liquor tax, Excise tax, bottle fee, recycling fee, rail tax, unemployment tax, liquor license fee, health permit, income tax, on and on to a sugar tax and next year a cheeseburger tax. Each one of these things cost money and take from the bottom line of a bar or restaurant.

Will you come out to a business and pay \$12 for a beer? \$6 for a soda? \$18 for a cheeseburger? Where are the customers to pay these prices that you place upon our products? The never ending nickels and dimes add up. These are just the small costs and they count for a lot. When we get to the bigger cost of labor's wages, benefits and health care how much will those items cost? Ultimately we cannot survive and thus we cannot be the provider of wages and health care. Ultimately government will have to become the provider as our small businesses continue to disappear.

Will you kill jobs to prevent obesity? Will it work? Are not aware you are killing the golden goose as you try to get more and more from it. The Health industry fails to assess the health of our industry. You ask to put your burdens on a dying industry and industry that you have put in jeopardy. Connectively the industry is a key in the Tourism trade our by which our state measures its economy.

I strongly oppose this measure and ask all legislators to take an honest look at the measures before them and how they affect small business. Government makes a poor partner to small business since you profit more than we do. To clearly put it to you, for every dime we make you make 50 cents. That represents the products sold within our operation. This does not represent the huge amount of taxes put upon these products before they reaches us. Thus the cost of the product already is heavily burdened with taxes before we get it and forcibly raises the cost of all products in the door. I would venture the costs of taxes on cigarettes outweighs the cost of the product. It may now near that on alcohol and will certainly on soda.

Yes we put soda in our drinks so as a result all prices must now be raised. If prices exceed what the market will bear then there will be no business. No business and for the sake of new taxes you loose all taxes garnered in our industry.

Sadly when we are out of business you can no longer tax us. Your net gain will be a huge negative not a small increase. Please legislators take a look around and see how many small businesses have closed. How many storefronts remain unopened?

I personally feel I am no longer working for myself as a business owner but as an abused serf to the state.

I ask you to defer this bill as it will not effectively change the habits of citizens in this state and it certainly will not help my budget as an employer of 80 people in this state.

Sincerely,

A handwritten signature in black ink that reads "Bill Comerford". The signature is written in a cursive, flowing style with a large initial "B" and a long, sweeping tail.

Bill Comerford
Hawaii Bar Owners Association
10 Marin Lane
Honolulu, HI 96817
808-223-3997
bill@ejlounge.com



3375 Koapaka Street, D-108
Honolulu, HI 96819

Phone: (808) 831-0811
Fax: (808) 831-0833

Wednesday, February 6, 2013

Senate Committee on Health

Re: SB 646, Relating to Health

Dear Chair Green, Vice Chair Baker and members of the Committee,

We appreciate the opportunity to testify on Senate Bill 646 and respectfully submit the following written testimony in opposition to the bill. Times Supermarket is based on Oahu and operates 26 stores with locations in Maui, Kauai and Oahu.

SB 646 establishes a tax on sugar-sweetened beverages, syrup, and powder with the revenues generated to be deposited into the community health centers special fund and the trauma system special fund.

SB 646 will have a detrimental impact on businesses and consumers throughout Hawai'i. Any beverage tax places additional pressure on businesses, puts employees at risk and adversely affects consumers' budgets. A tax on soda and other sugar-sweetened beverages is a discriminatory and inappropriate use of the tax system to limit consumer choice.

We agree with the intent of SB 646 insofar as it promotes public health. However, we believe that there are numerous other, more effective methods of promoting the health and well being of Hawaii's residents. We encourage the Committee to defer this measure.

Thank you for the opportunity to testify.

Respectfully,

Bob Gutierrez
Director of Government Affairs, Times Supermarket

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: chalei.belford@parbev.com
Subject: *Submitted testimony for SB646 on Feb 6, 2013 14:15PM*
Date: Wednesday, February 06, 2013 7:16:59 AM

SB646

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Chalei Belford	Individual	Oppose	No

Comments:

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**Written Testimony of
David Thorp
American Beverage Association**

**Before the Senate Committee on Health and
Senate Committee on Judiciary and Labor
Opposition to S.B. 646 – Beverage Tax
February 6, 2013**

Good afternoon, Chair Green, Chair Hee and members of the Committee. Thank you for the opportunity to comment in opposition to S.B. 646 – beverage taxes.

I am David Thorp, senior director of government affairs for the American Beverage Association (ABA) in Washington, D.C. The American Beverage Association is the trade association representing the non-alcoholic beverage industry. ABA represents hundreds of beverage producers, distributors, franchise companies and supporting businesses that employ more than 233,000 people across the country.

ABA members offer consumers myriad brands, flavors and packaging choices and a full range of drink options including soft drinks, diet soft drinks, ready-to-drink teas, bottled waters, water beverages, 100 percent juice, juice drinks, sports drinks and energy drinks.

Beverage Industry’s Impact on Hawaii’s Economy:

The beverage industry is an important part of Hawaii’s economy – and one of the few remaining industries still manufacturing in the Islands. Unlike most consumer products, many beverages are manufactured and distributed in Hawaii – and by local workers.

Non-alcoholic beverage companies in Hawaii provide more than 1,100 good-paying jobs across the state and help to support many thousands more workers in restaurants, grocery stores and more that depend, in part, on beverage sales for their livelihood.

Obesity is a Complex Problem with No Simple Solution

Many factors contribute to obesity and related health problems. Singling out one particular product for taxation isn’t going to make a dent in a problem as complex as obesity. To treat obesity effectively, we need to encourage a balanced diet with sensible consumption of all foods and beverages and promote more physical activity and exercise for all citizens.

Beverage Industry Supports Impactful Programs Such as S.B. 646 – School Vending

Limiting calories in elementary and middle schools is a sensible approach that acknowledges our industry's long-standing belief that school wellness efforts must focus on teaching students to consume a balanced diet and get plenty of exercise. The beverage industry has already voluntarily prohibited the sale of full-calorie soft drinks in schools nationwide, which has helped to lead to a 90% reduction in school beverage calories.

We agree with parents and educators that schools are special places and play a unique role in shaping our children's health. S.B. 646 provides help to kids to build healthy habits as they learn to balance the calories they consume with the calories they burn. Limiting beverage choices in elementary and middle schools helps to balance children's nutritional and hydration needs with appropriate caloric consumption for their age.

Commonsense tells us – and science proves for us – that taxes do not make people healthier. Making smart, educated decisions about diet and exercise do that.

Sugar-sweetened beverages are a small part of the American diet – just 7 percent.

- All sugar-sweetened beverages (soft drinks, juice drinks, sports drinks, flavored waters, teas, etc.) account for only 7 percent of the calories in the average American's diet. That means Americans get 93 percent of their calories from other foods and beverages. This according to National Cancer Institute data (see attached chart).

Soft drink sales continue to decline over the past decade while obesity rates continue to increase across the country.

- Sales of regular soft drinks have declined year-over-year by more than 12 percent from 1999-2010, according to Beverage Digest. Adult and childhood obesity rates continue to rise across the country during that same period, according to the CDC.

The beverage industry has cut the total amount of beverage calories it produces for the marketplace, yet obesity rates continue to climb in America.

- The total amount of beverage calories industry has brought to market has decreased 23% from 1998 to 2008 due to innovation and production of more no-calorie and low-calorie beverages, as well as smaller-portion beverages. This according to Beverage Marketing Corporation data.

Soda taxes won't work. Taxes don't make people healthier.

- A review by George Mason University researchers showed that a 20 percent tax on soda would reduce an obese person's Body Mass Index from 40 to 39.98 – an amount not even measurable on a bathroom scale.
- West Virginia and Arkansas are the only two states with an excise tax on soda, yet both states rank among the highest obesity rates in the country, according to the CDC.

The Public Opposes Discriminatory Taxes on Beverages:

No state or city has implemented a soft drink tax in over 20 years. In recent years, beverage taxes have been defeated by voters in Maine, Washington State, and the cities of Richmond and El Monte, California – with 60% - 78% public opposition.

Recognizing that these unfair taxes cause economic damage, eight states repealed their beverage taxes in the 1990s.

The public is sending a consistent, resounding message against discriminatory beverage taxes, making it clear that they are able to make their own decisions about what to eat or drink without government help. A tax on common grocery items like beverages is regressive and disproportionately hurts the most those who can least afford it.

The beverage industry is taking bold action to do its part to help address obesity:

To effectively confront the multi-faceted obesity issue, it will require all of us to work together in our respective roles as leaders of industry, government and the health community. The beverage industry supports education and other solutions that work, like our national School Beverage Guidelines and new calorie labeling initiative, *Clear on Calories*.

- Cutting calories available from beverages in schools by 90 percent. Our companies removed full-calorie soft drinks from schools across America, replacing them with lower-calorie beverage choices.
- Placing new labels clearly listing calories on the front of its beverages.
- Producing fewer total beverage calories for the marketplace through the innovation of more zero- and low-calorie beverages. From 1998-2008, industry cut the total beverage calories it brought to market by 23 percent.

School Beverage Guidelines:

In 2006, the beverage industry teamed with the Alliance for a Healthier Generation, a joint initiative of the William J. Clinton Foundation and the American Heart Association, to develop National School Beverage Guidelines. These guidelines, which have been fully implemented across America, remove full-calorie soft drinks from all schools and provide students with a broad range of lower-calorie, nutritious, smaller-portion beverage choices. There are now 90% fewer calories from all beverages in schools nationwide and a 95% reduction in full-calorie soft drinks (2004-2009).

Clear on Calories:

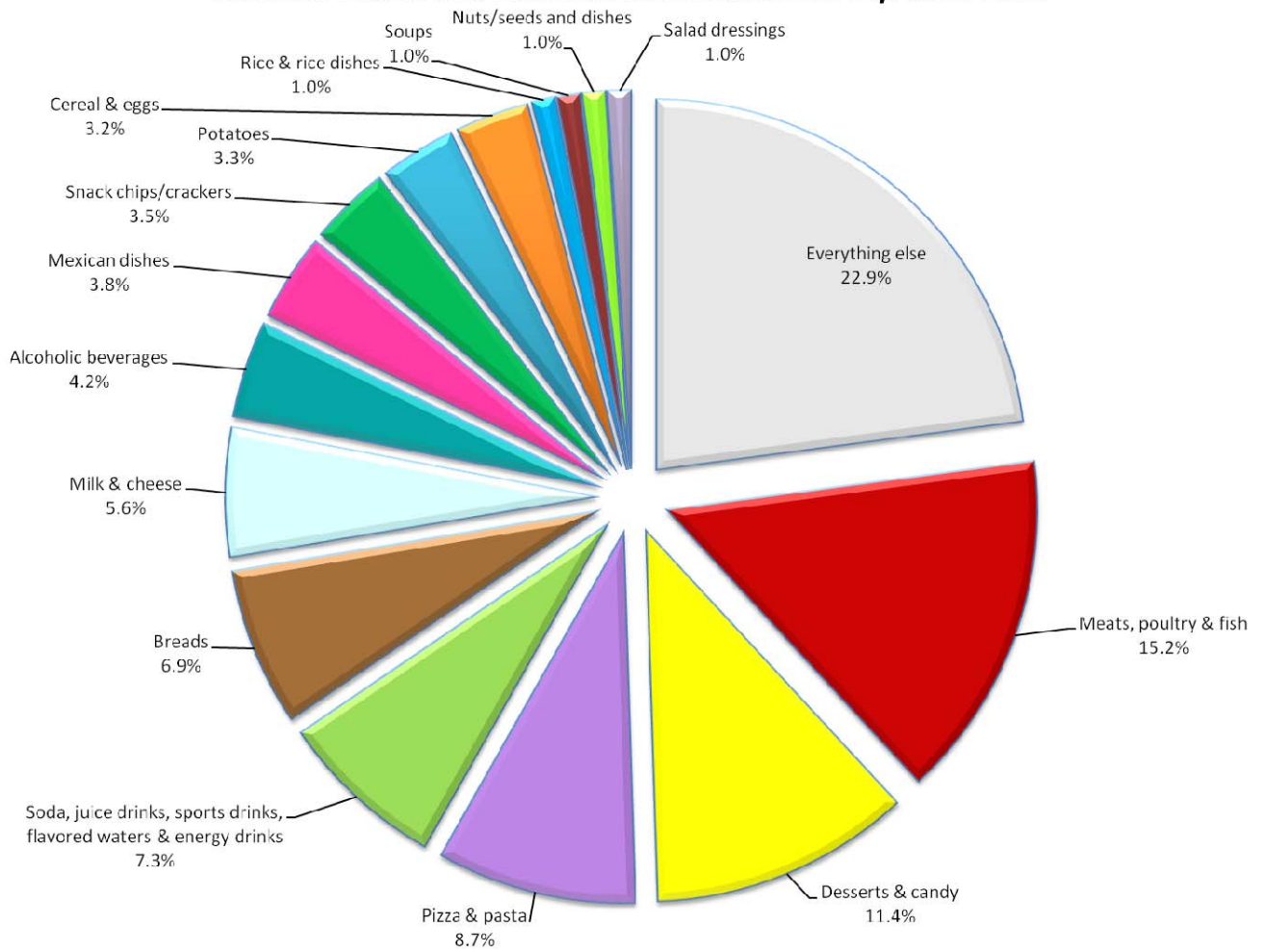
The beverage industry is committed to being part of the solution to the obesity epidemic. We have teamed up for this *Clear on Calories* initiative in support of First Lady Michelle Obama's "Let's Move" anti-obesity campaign. The beverage industry has come together through a voluntary commitment to make the calories in their products even more clear and consumer-friendly by **putting calorie information at consumers' fingertips at every point of purchase, including containers, company-controlled vending machines and fountain machines.** Consumers will be able to make informed choices about the beverages that are best for themselves and their families at any given time.

Conclusion

A significant effect on the state's obesity rates requires comprehensive solutions that will have a meaningful and lasting impact on Hawaii's citizens. The targeting of one portion of the items in the typical grocery cart for taxation will not be effective. A beverage tax unfairly lays the blame for obesity on the consumption of one particular product. Taxing soft drinks or any other single food or food ingredient is not justified.

Sincerely,
David Thorp

Food Category Sources of Calories based on the National Cancer Institute Re-Analysis of the National Health and Nutrition Examination Survey: 2005-2006



From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: dawn.fujikawa@parbev.com
Subject: *Submitted testimony for SB646 on Feb 6, 2013 14:15PM*
Date: Wednesday, February 06, 2013 8:11:07 AM

SB646

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
dawn	Individual	Oppose	No

Comments:

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To: [HTHTestimony](#)
Cc: JOHN@EJLOUNGE.COM
Subject: Submitted testimony for SB646 on Feb 6, 2013 14:15PM
Date: Wednesday, February 06, 2013 12:23:15 AM

SB646

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
JOHN LANGAN	Individual	Oppose	No

Comments: Testimony of John Langan Before the Senate Health Committee 2/5/13
Good afternoon, Chair Green and members of the Committee. I am John Langan of Kelley O'Neil's. I agree that obesity is a serious issue in Hawaii. However, it is unfair to single out one product as the leading cause of obesity. A tax on soda or other sugar-sweetened beverages could have an adverse affect on small businesses like mine. I would say that most in our communities do not want government using the tax code to tell them what to eat or drink. A few years ago in Maine and Washington State, the government imposed a tax on beverages. In each case, voters soundly rejected the government's attempt to tax grocery items. And just last November, voters in two California cities overwhelmingly rejected beverage taxes – with close to 70% and 80% of people saying NO. In today's economy, small business owners – just like hard-working families – are also struggling and we're working hard to provide food and beverages at an affordable price to our customers. My consumers need to provide food for their families at a price that they can afford. Adding the additional burden of a tax to people's grocery cart items hurts businesses and families. We simply cannot tax our way to better health. Thank you.

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From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: victor.lim@partners.mcd.com
Subject: Submitted testimony for SB646 on Feb 6, 2013 14:15PM
Date: Tuesday, February 05, 2013 3:48:25 PM

SB646

Submitted on: 2/5/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Victor Lim	Individual	Oppose	Yes

Comments: As stated in my testimony for SB 1085, this is looking for easy money source for other uses.

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From: [Kent Kurihara](#)
To: [HTHTestimony](#)
Subject: SB1085 & SB 646
Date: Tuesday, February 05, 2013 1:00:49 PM

February 5, 2013

To: Sen. Josh Green
Sen. Rosalyn H. Baker

RE: SB 1085 Relating to Obesity Prevention

Hearing Date: February 6, 2013

Hearing Time: 1:15 pm

Testifier: (Kent Kurihara / Hawaiian Sun Products, Inc.)

Position: Oppose

Hawaiian Sun Products, Inc. formally and strongly opposes SB646 & SB1085 regarding a tax on Sugary Beverages. We have firm reservations against the unfair taxation of our specific industry, and the hard-working individuals that make up its workforce. We cannot support taxation, whose negative effects will impact workers and household budgets across the state. We especially cannot ignore the idea that our local government wants to regulate our life and lifestyle, and that they would discriminatory taxes as a means of control. We also cannot stop looking past the disguised attempt to use public health as the vehicle for increasing tax revenues. As it stands, SB646 & SB1085 cannot be responsibly described as beneficial to the State of Hawaii and its residents.

DISCRIMINATORY TAXATION – These bills' discriminatory nature is clearly evident by its singular focus on sugary drinks, even though no claim can be made that sugary drinks are the singular source of obesity, diabetes, and other related health problems. This is akin to the assessment of fees attached to the sales of beverage containers in Hawaii. Beverage containers are not the singular source of trash, but are singled out for "taxation" to combat our trash problems and force the public into the *lifestyle* of recycling. As it stands, the bill appears to be just another source of revenue, focused on punishing the consumer and exploiting the national brands and their seemingly deep pockets. But these taxes negatively affect us all, especially in the small beverage manufacturing community of Hawaii.

PROPER AND SPECIFIC USAGE OF TAX REVENUE – There is NO guarantee that the monies generated by these taxes and fees will be appropriated correctly. The HI5 fund was raided recently to pay for general operations of the state. Who is going to GUARANTEE that revenues will be used specifically for the purposes stated? What other "sin" taxes will contribute to the obesity program established in SB1085? Why are the funds from SB646 not specifically allocated to obesity prevention?

LIFESTYLE MODIFICATION THROUGH TAXATION - There should be a focus on education, not taxation. Our family and community members buy what they want to eat/drink. Our job, as

manufacturers, is to bring these specific items to market. Consumers have the right to choose what they eat without the burden of taxation, or their government trying to make their dietary decisions for them. Currently, with the cooperation of the Food and Drug Administration, we provide as much dietary information as necessary on all of our food containers. The consumers have enough information at their disposal to make their own dietary choices. Let them exercise their rights as individuals.

Sincerely,

Kent Kurihara

Vice-President

Hawaiian Sun Products, Inc.

TO: COMMITTEE ON HEALTH
Senator Josh Green, Chair
Senator Roslyn Baker, Vice Chair

FROM: ITO EN (USA) Inc.
Leighton Horiuchi, President

DATE: Wednesday February 6, 2013
TIME: 2:15 P.M.
PLACE: Conference Room 229

RE: SB 646 RELATING TO HEALTH

Position: Strong Opposition

My name is Leighton Horiuchi, and I am President of ITO EN (USA) Inc. We are one of only a few remaining local beverage manufacturers and distributors of soft drinks in the state. Doing business in Kalihi since 1987, we currently employ 70 workers. Our product line includes Aloha Maid fruit drinks, Royal Mills Iced Coffees, and unsweetened Green Teas. We also distribute many other brands of soft drinks throughout the state.

I strongly oppose SB 1085. Imposing a new beverage tax is very discriminatory, and will only hurt local companies like ourselves, which impacts all of our hard working employees. Lawmakers should not unfairly single out a grocery item or a small handful of local beverage manufacturers to shoulder the burden caused by a new tax. All of my employees have worked so hard, and sacrificed so much to overcome the hardships of our recent economic recession, to now face the possibility of a new beverage tax is both disappointing and upsetting.

I read recently that calories from sugar-sweetened beverages comprise only 7% of the American diet and that simple starches, fats and sweet foods, combined with a lack of exercise are the bigger reasons for obesity and related health problems. Placing a discriminatory tax on beverages will not change behaviors or teach children about a healthier lifestyle. Parents, teachers and responsible lawmakers are all accountable for helping children make smart decisions about diet, exercise and moderation.

A penny per ounce, or a penny per teaspoon, this is still only a new beverage tax. A tax that does much harm to hard working people in our state and does not motivate or encourage consumers (especially children and young adults) to choose a healthy diet and exercise regularly.

Thank you for the opportunity to testify.

Leighton Horiuchi
President, ITO EN (USA) Inc.

From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: saleyna@live.com
Subject: *Submitted testimony for SB646 on Feb 6, 2013 14:15PM*
Date: Wednesday, February 06, 2013 7:32:01 AM

SB646

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
pa ueda	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: denise.rentiquiano@parbev.com
Subject: *Submitted testimony for SB646 on Feb 6, 2013 14:15PM*
Date: Wednesday, February 06, 2013 7:17:03 AM

SB646

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
DENISE RENTIQUIANO	Individual	Oppose	No

Comments:

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From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: g@MauiBrewingCo.com
Subject: Submitted testimony for SB646 on Feb 6, 2013 14:15PM
Date: Wednesday, February 06, 2013 2:14:13 PM

SB646

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Garrett W. Marrero	Individual	Oppose	No

Comments: Aloha, We are in strong opposition to this bill. We do understand the argument however feel it is flawed and will not produce the desired results. In fact we'd see a detrimental effect to the local canning and bottling operations. this will severely effect the local manufacturing industry and ultimately will cost the state more jobs in industry. Mahalo.

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From: mailinglist@capitol.hawaii.gov
To: [HTHTestimony](#)
Cc: lauren.orf@parbev.com
Subject: Submitted testimony for SB646 on Feb 6, 2013 14:15PM
Date: Wednesday, February 06, 2013 7:48:06 AM

SB646

Submitted on: 2/6/2013

Testimony for HTH on Feb 6, 2013 14:15PM in Conference Room 229

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Orf	Individual	Oppose	No

Comments: My comments are the same for beverages. Encourage manufacturers to produce healthier drinks. Tax at that level, not the consumers. All individuals have a choice to drink healthier drinks, but if the choices are not healthy choices, who is really to blame? Drinks manufactured today are in general too sweet.

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To: Representative Josh Green, Chair
Representative Rosalyn Baker, Vice Chair
And members of the Senate on Health Committee

From: Mikael Manibusan

Subject: In Support of SB 646 for Tax on Sugared Beverages

Aloha! My name is Mikael Manibusan; I am currently a senior at Kalaheo High School on Oahu. I strongly support the Senate Bill 646 to raise tax on sugar sweetened beverages.

In Hawaii of 2011, a report showed that the rate of Obesity was at 21.8 percent and I believe it could be adjusted. According to Star Adviser Press, it showed that obesity in adults have increased dramatically within the last 15 years. I believe that the tax raise would assist in lowering the consumption of sugar sweetened beverages and allow for a healthier diet.

In the article by the associated press, if obesity continues to climb in Hawaii, by the year of 2030 the cost of obesity related healthcare could climb by more than 12.3 percent. The cost of healthcare now is getting more and more expensive. The tax on beverages would also assist with the Presidents Challenge for fitness amongst the adolescence, and push for kids to stay healthy and drink more water.

I want to thank you for your time and consideration, and I truly hope that you will support Senate Bill 646