

Honolulu, Hawaii

March 14, 2014

RE: S.B. No. 2495  
S.D. 3  
H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Seventh State Legislature  
Regular Session of 2014  
State of Hawaii

Sir:

Your Committee on Health, to which was referred S.B. No. 2495, S.D. 3, entitled:

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

begs leave to report as follows:

The purpose of this measure is to:

- (1) Include electronic smoking devices within the definition of "tobacco products" under Chapter 245, Hawaii Revised Statutes (HRS), thereby making:
  - (A) Wholesalers and dealers of electronic smoking devices subject to the same licensing requirements as wholesalers and dealers of cigarettes and other tobacco products; and
  - (B) Retailers of electronic smoking devices subject to the same permitting requirements as retailers of cigarettes and other tobacco products;
- (2) Establish an excise tax on electronic smoking devices of an unspecified percent of the wholesale price of each electronic smoking device kit, electronic smoking device nicotine cartridge, or electronic smoking device nicotine refill sold, used or possessed by a wholesaler or dealer; and



- (3) Prohibit the use of electronic smoking devices in enclosed public areas and other specified locations under Chapter 328J, HRS.

The Department of Health, Hawaii COPD Coalition, American Cancer Society Cancer Action Network, American Heart Association, Coalition for a Tobacco-Free Hawaii, University of Hawaii Student Health Advisory Council, and numerous individuals supported this measure. The Hawaii Smokers Alliance, Retail Merchants of Hawaii, VOLCANO Fine Electronic Cigarettes, X-treme Vapor, and numerous individuals opposed this measure. The Department of Human Resources Development, Department of Taxation, Hawaii Food Industry Association, Tax Foundation of Hawaii, HI Vapor Emporium, and several individuals commented on this measure.

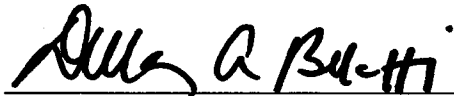
Your Committee has amended this bill by:

- (1) Deleting provisions that:
  - (A) Include electronic smoking devices within the definition of "tobacco products" under Chapter 245, HRS; and
  - (B) Establish an excise tax on electronic smoking devices of an unspecified percent of the wholesale price of each electronic smoking device kit, electronic smoking device nicotine cartridge, or electronic smoking device nicotine refill sold, used or possessed by a wholesaler or dealer; and
- (2) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2495, S.D. 3, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2495, S.D. 3, H.D. 1, and be referred to the Committee on Consumer Protection & Commerce.



Respectfully submitted on  
behalf of the members of the  
Committee on Health,



DELLA AU BELATTI, Chair



