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# A BILL FOR AN ACT

RELATING TO CHAPTER 245, HAWAII REVISED STATUTES.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1           SECTION 1. The legislature finds that the public health  
2 rationale for the regulation of cigarettes and tobacco products  
3 is well developed, as tobacco use is the single most preventable  
4 cause of disease, disability, and death in the United States.  
5 In addition to substantive laws in the State governing specific  
6 aspects of tobacco production, sales, and use, Hawaii law  
7 requires retailers, wholesalers, and dealers of cigarettes or  
8 tobacco products to obtain a special license or permit. These  
9 licenses and permits facilitate the enforcement of the cigarette  
10 tax and tobacco tax law under chapter 245, Hawaii Revised  
11 Statutes. However, the current license fee for wholesalers and  
12 dealers is only \$2.50 a year, while retail tobacco permit fees  
13 cost only \$20 a year. To ensure continued tobacco regulation  
14 and enforcement of relevant tax laws, the legislature concludes  
15 that these fees should be increased.

16           Accordingly, the purpose of this Act is to:



- 1 (1) Expand the definition of "tobacco products" to include
- 2 any product containing nicotine that is intended for
- 3 human consumption;
- 4 (2) Increase the license fee for persons engaged as a
- 5 wholesaler or dealer of cigarettes or tobacco
- 6 products; and
- 7 (3) Increase the retail tobacco permit fee for retailers
- 8 engaged in the retail sale of cigarettes and tobacco
- 9 products.

10 SECTION 2. Section 245-1, Hawaii Revised Statutes, is  
 11 amended by amending the definition of "tobacco products" to read  
 12 as follows:

13 "Tobacco products" means [~~tobacco~~]:

- 14 (1) Tobacco in any form, other than cigarettes or little
- 15 cigars, that is prepared or intended for consumption
- 16 or for personal use by humans, including large cigars
- 17 and any substitutes thereof other than cigarettes that
- 18 bear the semblance thereof, snuff, chewing or
- 19 smokeless tobacco, and smoking or pipe tobacco[-]; or
- 20 (2) Any product containing nicotine, but not containing
- 21 tobacco, that is intended for human consumption,



1           whether chewed, smoked, absorbed, dissolved, inhaled,  
2           snorted, sniffed, or ingested by any other means, that  
3           has not been approved by the United States Food and  
4           Drug Administration for tobacco cessation or other  
5           medical purposes."

6           SECTION 3. Section 245-2, Hawaii Revised Statutes, is  
7 amended by amending subsection (b) to read as follows:

8           "(b) The license shall be issued by the department upon  
9 application therefor, in such form and manner as shall be  
10 required by rule of the department, and the payment of a fee of  
11 [~~\$2.50~~] \$ \_\_\_\_\_, and shall be renewable annually on July 1  
12 for the twelve months ending the succeeding June 30."

13           SECTION 4. Section 245-2.5, Hawaii Revised Statutes, is  
14 amended by amending subsection (c) to read as follows:

15           "(c) The retail tobacco permit shall be issued by the  
16 department upon application by the retailer in the form and  
17 manner prescribed by the department, and the payment of a fee of  
18 [~~\$20~~] \$ \_\_\_\_\_. Permits shall be valid for one year, from  
19 December 1 to November 30, and renewable annually. Whenever a  
20 retail tobacco permit is defaced, destroyed, or lost, or the  
21 permittee relocates the permittee's business, the department may



1 issue a duplicate retail tobacco permit to the permittee for a  
2 fee of \$5 per copy."

3 SECTION 5. Statutory material to be repealed is bracketed  
4 and stricken. New statutory material is underscored.

5 SECTION 6. This Act shall take effect on July 1, 2015.



**Report Title:**

Tobacco Regulation; License Fee; Retail Tobacco Permit;  
Cigarettes; Tobacco Products

**Description:**

Expands the definition of "tobacco products". Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes or tobacco products. Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products. (SB1032 HD1)

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