



American Cancer Society
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Senate Committee on Judiciary and Labor
Senator Gilbert Keith-Agaran, Chair
Senator Maile Shimabukuro, Vice Chair

SB 2689, SD1 – RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

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

Thank you for the opportunity to provide written comments in support of SB 2689, SD1, which requires electronic smoking device wholesalers and retailers to obtain tobacco license and permits, and also increases the fees for licenses and permits.

The American Cancer Society Cancer Action Network (ACS CAN) 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.

Currently, there are no requirements for requires electronic smoking device wholesalers and retailers to obtain tobacco license and permits. Without a license and permit requirement, enforcing regulations becomes difficult and allows for abuse.

The current fee is \$2.50 for a tobacco wholesaler or distributor and \$20 for tobacco retailers, which are low considering the products that are being sold and distributed. Considering that nature of the products sold, the current fees do not accurately reflect the danger that these products pose to individuals from the sale of these products.

To put these fee increases into perspective, the statutory fees for the sale of fireworks in the State are significantly higher. Section 132D-11, Hawaii Revised Statutes, lists the license fees as \$3,000 for importers, \$2,000 for each wholesaler's site, \$1,000 for each storage site, and \$500 for each retailer's site. In comparison to these fees, the increases proposed by this measure are significantly lower than fees paid for the privilege to sell fireworks. We feel that the increase in fees for tobacco wholesalers and retailers are reasonable when compared to other license fees for hazardous consumer products sold in our State.

Thank you for the opportunity to submit comments on this matter.

LATE TESTIMONY

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 25, 2016 4:30 PM
To: JDLTestimony
Cc:
Subject: Submitted testimony for SB2689 on Feb 26, 2016 10:00AM

SB2689

Submitted on: 2/25/2016

Testimony for JDL on Feb 26, 2016 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Justin Wolery	Individual	Oppose	No

Comments: This is an extremely troubling bill for local business, the proposed inventory and record keeping requirements would put undue financial as well as literal stress on business owners and seems to serve no purpose other than to deliberately make doing business in Hawaii "not worth the hassle". Including items like accessories, drip tips, wire coils and other items that contain no nicotine as tobacco products is absurd and has no conceivable justification. The nature of the vape industry simply makes this kind of inventory tracking and management absurdly expensive and difficult if not impossible and if passed, will cause the majority if not all vape business in the state of Hawaii to close or relocate out of state as we will no longer be competitive with online pricing.

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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LATE TESTIMONY

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 25, 2016 4:48 PM
To: JDLTestimony
Cc:
Subject: Submitted testimony for SB2689 on Feb 26, 2016 10:00AM

SB2689

Submitted on: 2/25/2016

Testimony for JDL on Feb 26, 2016 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Individual	Oppose	No

Comments: This bill is nothing but an unproductive waste of State and taxpayer resources.

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LATE TESTIMONY

Keith Agaran3 - Ashlee

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 25, 2016 10:27 PM
To: JDCTestimony
Cc:
Subject: Submitted testimony for SB2689 on Feb 26, 2016 10:00AM

SB2689

Submitted on: 2/25/2016

Testimony for JDL on Feb 26, 2016 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Johnston	Individual	Oppose	No

Comments: Vapor products contain NO tobacco, and often times contain NO nicotine, and ultimately emit NO smoke. Nonetheless, SB2689 SD1 aims to unfairly classify all vapor products as "Tobacco Products" and erroneously refers to them as "Electronic Smoking Devices" to bring vapor products into the same regulatory framework as traditional tobacco cigarettes for the purposes of taxation. This will adversely effect the vapor industry in Hawaii resulting in unintended economic and health consequences detailed below. SB2689 SD1 States in its justification that the use of licensing and permit fees "facilitate the enforcement of the cigarette tax and tobacco tax law". However, seeing as though there are no current laws in place that subject vapor products to a cigarette tax or the tobacco tax law, this bill should be considered premature. SB2689 SD1 would amount to a 9900% increase in licensing fees for wholesalers and a 150% increase for retail dealers. This is a highly unreasonable increase that will result in a significant financial burden. These costs would ultimately be passed on to the consumer. I am the owner of Sub Ohm Vapes LLC. I find it to be offensive to have vapor products classified as tobacco. Nicotine can be derived from tobacco but it does not make it tobacco. Not all vapor liquids contain nicotine. Vapor products do not smoke, burn or use combustion for consumption. It is not regulated under ATF because it is not tobacco. To force a product to be under tobacco which is the very opposite of the intent of Vaping is damaging. Forcing vapor stores to get a tobacco license in order to operate is ridiculous. I am in the business to help people quit smoking and tobacco. Nicotine is not tobacco. Classifying nicotine and vapor products as tobacco will ultimately close the businesses of local vapor stores. We will have tobacco taxes that other States do not. The rise of price caused by tax will drive vapors to the internet for purchase. Revenue for the State of Hawaii will be lost. Ultimately the decision to pass SB2689 will hurt local business and the State. I strongly oppose SB2689! Aloha and Mahalo, Michelle Johnston Sub Ohm Vapes LLC Kailua-Kona, HI

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Keith Agaran3 - Ashlee

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 26, 2016 8:30 AM
To: JDLTestimony
Cc:
Subject: *Submitted testimony for SB2689 on Feb 26, 2016 10:00AM*

SB2689

Submitted on: 2/26/2016

Testimony for JDL on Feb 26, 2016 10:00AM in Conference Room 016

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin Sakumoto	Individual	Oppose	No

Comments:

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Keith Agaran3 - Ashlee

From: mailinglist@capitol.hawaii.gov
Sent: Thursday, February 25, 2016 7:59 PM
To: JDLTestimony
Cc:
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SB2689

Submitted on: 2/25/2016
Testimony for JDL on Feb 26, 2016 10:00AM in Conference Room 016

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

Comments:

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