

Honolulu, Hawaii

MAR 23 , 2018

RE: S.B. No. 2654
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2654, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CHAPTER 245, HAWAII REVISED STATUTES,"

begs leave to report as follows:

The purpose of this measure is to protect public health by decreasing the consumption of electronic smoking devices, also known as e-cigarettes, and other tobacco products. Specifically, this measure:

- (1) Prohibits the shipment of tobacco products including electronic smoking devices, for sale to anyone other than a licensee;
- (2) Prohibits the transport of tobacco products ordered through remote sale to anyone other than a licensee and the purchase, use, or possession of tobacco products for which state taxes have not been paid by any person;
- (3) Amends the definition of "tobacco products" as used in the Cigarette Tax and Tobacco Tax Law to include "e-liquid";



- (4) Increases the license fees for wholesalers or dealers of cigarettes and tobacco products;
- (5) Increases the fees for retail tobacco permits; and
- (6) Increases, by an unspecified amount, the excise tax on:
 - (A) Each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer; and
 - (B) The wholesale price of each article or item of tobacco products, other than large cigars, sold by a wholesaler or dealer.

The Department of Health, American Heart Association, Kapiolani Medical Center for Women and Children, Hawai'i Public Health Association, Pioneering Healthier Communities of Honolulu, Hawaii Public Health Institute, Coalition for a Tobacco Free Hawai'i, Planned Parenthood Votes Northwest and Hawaii, Blue Zones Project, Keiki Injury Prevention Coalition, and numerous concerned individuals testified in support of this measure. The Retail Merchants of Hawaii, Eciggity, Irie Hawaii, Hawaii Smokers Alliance, Hawaii Cigar Association, Kauai Cigar Company, Volcano cCigs, PCG Enterprises LLC, and numerous concerned individuals testified in opposition to this measure. The Department of Taxation and Tax Foundation of Hawaii provided comments.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2654, S.D. 2, H.D. 1, and recommends that it be referred to your Committee on Finance.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
& Commerce,



ROY M. TAKUMI, Chair



State of Hawaii
House of Representatives
The Twenty-ninth Legislature

HSCR 1391-18

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2654, SD2, HD1	Committee Referral: HHS, CPC, FIN	Date: 3/20/18		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input checked="" type="checkbox"/> Pass, unamended (as is) <input type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. ITO, Ken	✓			
5. JOHANSON, Aaron Ling				✓
6. LoPRESTI, Matthew S.	✓			
7. MIZUNO, John M.				✓
8. SAY, Calvin K.Y.	✓			
9. TOKIOKA, James Kunane	✓			
10. YAMANE, Ryan I.	✓			
11. McDERMOTT, Bob				✓
TOTAL (11)	8	0	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10pt;">committee acronym(s)</div>				
Vice Chair's or designee's signature: <i>Linda Ichiyama</i>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				