

Honolulu, Hawaii

MAR 02 2018

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

Honorable Ronald D. Kouchi
President of the Senate
Twenty-Ninth State Legislature
Regular Session of 2018
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 2654, S.D. 1, entitled:

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

begs leave to report as follows:

The purpose and intent of this measure is to protect public health by decreasing the use of electronic smoking devices.

Specifically, this measure:

- (1) Prohibits the:
 - (A) Shipment of tobacco products to anyone other than a licensee; and
 - (B) Transport of tobacco products ordered through remote sale to anyone other than a licensee;
- (2) Includes e-liquid within the definition of "tobacco products";
- (3) Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products; and



- (4) Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products.

Your Committee received written comments in support of this measure from the Department of Health, a member of the Kauai County Council, American Heart Association, Hawaii Public Health Association, Blue Zones Project-Koolauapoko, Keiki Injury Prevention Coalition, Hawaii Public Health Institute, Pioneering Healthier Communities of Honolulu, and seventy-six individuals.

Your Committee received written comments in opposition to this measure from Hawaii Smokers Alliance, PCG Enterprises LLC, Black Lava Vape, Smokeless Hawaii, VOLCANO Fine Electronic Cigarettes, Cigar Rights of America, and twenty-one individuals.

Your Committee received written comments on this measure from the Department of Taxation and Department of the Attorney General.

Your Committee finds that the use of electronic cigarettes among high school students has increased nine hundred percent from 2011 to 2015, making them now the most commonly used tobacco product among youth.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and
- (2) Making technical nonsubstantive changes for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2654, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 2654, S.D. 2.

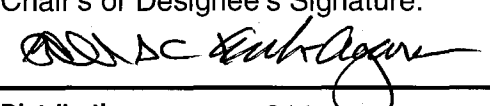


Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,


DONOVAN M. DELA CRUZ, Chair

The Senate
 Twenty-Ninth Legislature
 State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 2654, SDI	Committee Referral: CPH, WAM	Date: 2/23/18		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
GALUTERIA, Brickwood	X			
HARIMOTO, Breene	X			
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i	X			
KIDANI, Michelle N.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.				X
WAKAI, Glenn	X			
TOTAL	10			1
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes