

STATE OF HAWAII
DEPARTMENT OF HEALTH
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Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of H.B. 2492
RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

REPRESENTATIVE JOHN M. MIZUNO, CHAIR
HOUSE COMMITTEE ON HEALTH & HUMAN SERVICES

Hearing Date: February 2, 2018

Room Number: Conference Room 329

1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation for
2 fiscal implications of implementation and to the Office of the Attorney General for fiscal
3 implications for enforcement.

4 **Department Testimony:** The DOH supports House Bill 2492 (H.B. 2492) as a measure to
5 protect the public's health. The bill restricts shipping tobacco products to only licensed
6 wholesalers or dealers. It provides for the inclusion of e-liquid in the definition of tobacco
7 products, the imposition of an excise tax, the requirement for licensing and permitting fees, and
8 increase in licensing and permitting fees. The DOH defers to the Department of Taxation
9 (DOTAX) for implementation, and to the Department of the Attorney General regarding the
10 enforcement of the shipping regulations.

11 Despite tremendous progress in reducing smoking, tobacco use is still the leading cause
12 of preventable illness and death in the United States and in Hawaii.¹ It is crucial that the
13 progress made in reducing cigarette smoking among youth and young adults not be
14 compromised by the initiation of e-cigarettes. In 2017, 8.1% of high students were regular
15 cigarette users, but when it came to e-cigarettes, an alarming 25% were regular users, and 42%
16 had tried them.² Several studies have shown that youth who use e-cigarettes are more likely to
17 use regular cigarettes.^{3,4,5}

18 The DOH supports the restriction of shipping tobacco products to anyone other than a
19 licensed wholesaler/dealer, that is engaged in the business of selling tobacco products, and is on

1 the DOTAX authorized list. This will strengthen protections for youth and young adults.
2 Research has shown that youth can easily circumvent the online age verification process to
3 purchase and have ESDs shipped to them.⁶

4 The imposition of an excise tax on e-liquids will be consistent with the tax on other
5 tobacco products. The relatively low cost of e-liquids makes these products appealing to youth
6 and young adults, who tend to be particularly price sensitive.⁷ The pricing, marketing, and
7 variety of youth-friendly flavors are contributing to the increased use of ESDs.⁸

8 The DOH supports the proposed amendment in the measure to require wholesalers and
9 retailers of e-liquids to obtain the applicable license or permit. Currently, all that is required of
10 these vendors is a General Excise License. A statewide survey conducted by the University of
11 Hawaii Cancer Center identified more than 100 e-cigarette establishments (vape shops) as
12 separate from tobacco retail outlets. However, this cannot be considered an accurate assessment,
13 since no specific database exists from the DOTAX regarding the number of vendors. Licensure
14 and retail permitting would bring e-liquid vendors in alignment with the traditional tobacco
15 retailers, and would provide accurate data for compliance surveillance and working with the
16 vendors to educate and enforce current tobacco laws.

17 The proposed increases in licensure and permitting fees are long overdue. They have
18 remained unchanged since 1995, despite high tobacco taxes and ever-increasing tobacco industry
19 expenditures in marketing and advertising. Tobacco licensing is an effective tool for limiting the
20 negative public health consequences of tobacco use by ensuring that wholesalers and retailers
21 comply with responsible sales practices. The proposed licensing would apply to those who sell
22 e-liquids.

23 The DOH supports H.B. 2492 as a multifaceted public health measure to help prevent
24 access to e-liquid and e-cigarettes among youth and young adults and to encourage users to quit.

25 Thank you for the opportunity to testify.

26 **Offered Amendments:** None

¹ Centers for Disease Control and Prevention. *Best Practices for Comprehensive Tobacco Control Programs, 2014*. Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014

² Hawaii School Health Survey/ Youth Risk Behavior Survey (2017)

³ Watkins SL, Glantz, SA. Association of Noncigarette Tobacco Products Use With Future Cigarette Smoking Among Youth in the Population Assessment of Tobacco and Health (PATH) Study, 2013-2015. *JAMA Pediatr*. Published online January 2, 2018.

⁴ Barrington-Trimis, JL, Urman, R, Berhane, K, Unger, JB, Cruz, TB, Pentz, MA, Samet, JM, Leventhal, AM, McConnell, R. E-Cigarettes and Future Cigarette Use. *Pediatrics*.2016-0379.

⁵ Wills, TA, Knight, R, Williams, RJ, Pagano, I, Sargent JD. Risk Factors for Exclusive E-Cigarette Use and Dual E-Cigarette Use and Tobacco Use in Adolescents. *Pediatrics*. 2014-0760.

⁶ Williams RS, Derrick J, Ribisl KM. Electronic Cigarette Sales to Minors via the Internet. *JAMA Pediatr*.2015;169(3):e1563

⁷ Department of Health & Human Services, *Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General 522-29* (2012), <http://www.surgeongeneral.gov/library/reports/preventing-youth-tobacco-use/full-report.pdf>

⁸ *ibid*

Testimony:

Date: February 1, 2018

To: The Honorable John Mizuno, Chair

The Honorable Bertrand Kobayashi, Vice Chair

Members of the House Committee on Health and Human Services

Re: Strong Support of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

I strongly support HB2492 which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

I support this bill because of findings from our research with Hawaii adolescents conducted over the past 4 years. These studies have shown that e-cigarette use is quite prevalent among Hawaii middle and high school students; in recent years over 40% of high school students having used e-cigarettes. Even at younger ages, the prevalence among middle school students can be 15-20% of the school population.

In addition to showing that e-cigarette use is prevalent among Hawaii school students, our studies have shown that e-cigarette use is linked to several adverse outcomes. Notably, using e-cigarettes is related to initiation of cigarette smoking among previous nonsmokers, hence is contributing to undesirable outcomes. Our findings from Hawaii have been reported in national and international scientific journals such as JAMA Pediatrics and have been confirmed in different US states as well as in Britain, Canada, and Mexico.

Our research has also shown that e-cigarette use is related to a higher likelihood of asthma among Hawaii adolescents and young adults. This has recently been reported in the scientific journal Preventive Medicine and our findings have now been confirmed in three Hawaii studies. Thus there is now evidence that e-cigarette use can be linked to adverse health consequences as well as adverse behavioral consequences such as smoking initiation.

We have observed that e-cigarettes are aggressively marketed to Hawaii youth in television, print media, radio, and point-of-sale advertising venues. Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Because of the adverse consequences that are known to be related to e-cigarette use, I urge the legislature to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs. This bill will also require a permitting and licensing

which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

I strongly support HB2492 and ask you to pass this out of committee.

Yours sincerely,

Thomas A. Wills, Ph.D.
Director, Cancer Prevention in the Pacific Program
University of Hawaii Cancer Center

DAVID Y. IGE
GOVERNOR

SHAN S. TSUTSUI
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF TAXATION**

830 PUNCHBOWL STREET, ROOM 221
HONOLULU, HAWAII 96813

<http://tax.hawaii.gov/>

Phone: (808) 587-1540 / Fax: (808) 587-1560
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To: The Honorable John M. Mizuno, Chair
and Members of the House Committee on Health & Human Services

Date: Friday, February 2, 2018
Time: 8:30 A.M.
Place: Conference Room 329, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

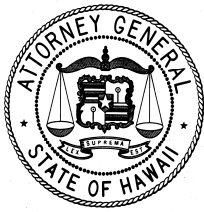
Re: H.B. 2492, Relating to Chapter 245, Hawaii Revised Statutes

The Department of Taxation (Department) offers the following comments on H.B. 2492 for the Committee's consideration.

H.B. 2492 makes unlawful the transport of tobacco products ordered through remote sale to any address other than that of a tobacco wholesaler or dealer. H.B. 2492 also expands the tax on tobacco products to include e-liquid used in electronic smoking devices. Under this bill, wholesalers and dealers of e-liquid would be subject to a tax of 70% of the wholesale price of the e-liquid, and wholesalers, dealers and retailers of e-liquid would be required to secure licenses and retail permits annually. H.B. 2492 also increases the annual fee for a tobacco license from \$2.50 per year to \$250 per year, and the annual fee for a tobacco retail permit from \$20 per location to \$50 per location. The bill is effective July 1, 2018.

The Department is able to administer the changes in this measure, but requests that any change to the tobacco tax be made effective January 1, 2019 to allow the Department to make the necessary form and computer system changes.

Thank you for the opportunity to provide comments.



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
TWENTY-NINTH LEGISLATURE, 2018**

ON THE FOLLOWING MEASURE:

H.B. NO. 2492, RELATING TO CHAPTER 245, HAWAII REVISED STATUTES.

BEFORE THE:

HOUSE COMMITTEE ON HEALTH AND HUMAN SERVICES

DATE: Friday, February 2, 2018

TIME: 8:30 a.m.

LOCATION: State Capitol, Room 329

TESTIFIER(S): Russell A. Suzuki, First Deputy Attorney General, or
Janine R. Udoi, Deputy Attorney General

Chair Mizuno and Members of the Committee:

The Department of the Attorney General (Department) appreciates the intent of this bill and submits the following proposed amendments.

The purpose of this bill is to prohibit the shipment of tobacco products to anyone other than a licensee, amend the definition of "tobacco products" to include "e-liquid," increase fees for licenses, and increase fees for retail tobacco permits.

The Department recommends striking in its entirety, subsection (a)(2), on page 6, lines 12 through 15, of the new section being added by section 2 of the bill to chapter 245, Hawaii Revised Statutes (HRS). This subsection seeks to prohibit the shipment of tobacco products to a person who is not an export warehouse proprietor pursuant to title 26, chapter 52, of the United States Code (USC) or a customs bonded warehouse operator as set forth in 19 USC section 1311 or 1555. However, 26 USC section 5702(c), limits the definition of "tobacco products" to "cigars, cigarettes, smokeless tobacco, pipe tobacco, and roll-your-own tobacco." Conversely, in this bill, section 3, on page 8, lines 19 through 20, and page 9, lines 1 through 6, more broadly defines "Tobacco products" to include certain types of tobacco products, including e-liquids, that are not contained in the federal law:

Tobacco products means tobacco in any form, other than cigarettes or little cigars, that is prepared or intended for consumption or for personal use by humans, including large cigars and any substitutes thereof other than cigarettes that

bear the semblance thereof, snuff, chewing or smokeless tobacco, ~~and~~ smoking or pipe tobacco~~[-]~~, and e-liquid.

Accordingly, because section 2, subsection (a)(2), on page 6, lines 12 through 15, of the bill references a federal law that defines “tobacco products” in a more limited manner, including this provision in the bill could cause unnecessary confusion. Similarly, section 2, subsection (a)(2), on page 6, lines 12 through 15, prohibits the shipment of tobacco products to anyone who is not a customs bonded warehouse operator pursuant to 19 USC section 1311 or 19 USC section 1555. These sections of federal law involve the regulation of imported dutiable goods stored in bonded warehouses for export subject to taxation under the Internal Revenue Code (IRC). At this time, certain tobacco products, including e-liquids, are not defined or taxed as tobacco products under the IRC, and as a consequence, the shipment of certain tobacco products, including e-liquids, are not subject to the same customs duty and bonded warehouse concerns associated with standard cigarettes. Therefore, section 2, subsection (a)(2), on page 6, lines 12 through 15, of this bill prohibiting tobacco product shipment, specifically e-liquids, to a person who is not a customs bonded warehouse operator pursuant to 19 USC section 1311 or 19 USC section 1555 could cause potential confusion and should be stricken in its entirety.

The Department also respectfully recommends that section 2, subsection (b)(2), on page 7, lines 1 through 16, should be stricken in its entirety. This subsection provides that prohibitions in this bill shall not apply to a shipment of tobacco products if the person or entity shipping the tobacco product fully complies with the requirements of title 15, chapter 10A, USC and the associated required shipping container labels. This specific provision of the USC requires that out of state sellers of cigarettes and smokeless tobacco comply with certain shipping requirements, recordkeeping practices, and tax obligations. The responsibilities and obligations of out of state sellers of cigarettes and smokeless tobacco as set forth in the provisions of title 15, chapter 10A, USC are not extended to certain tobacco products, including e-liquids, and referencing this section of the federal law in this bill could lead to unnecessary confusion.

For this same reason, the Department also recommends that section 2, subsection (e), on page 8, lines 1 through 4, be stricken in its entirety. This section of the bill requires a person or entity required to comply with title 15, chapter 10A, USC regarding reporting deadlines to also file the required report with the Department of Taxation. As set forth above, title 15, chapter 10A, USC specifically relates to the shipment of cigarettes and smokeless tobacco, not tobacco products such as e-liquids. Accordingly, including a reporting deadline in this bill for persons or entities who are not subject to the reporting requirements of title 15, chapter 10A, USC could possibly lead to confusion regarding the requirements of engaging in the shipment or transport of tobacco products.

The Department respectfully recommends amending section 2, subsection (c), on page 7, lines 17 through 18, to include the state of mind required to constitute a violation of this bill, as follows:

- (c) Any person or entity who knowingly engages in the [u]nlawful shipment of tobacco products is shall be guilty of a misdemeanor.

Finally, the Department recommends amending section 3, page 8, lines 15 through 18, which adds a new definition of “E-liquid” to section 245-1, HRS, to clarify that an e-liquid contains nicotine:

“E-liquid” means any liquid or like substance, containing nicotine, that is designed or intended to be used in an electronic smoking device as defined in section 328J-1, whether or not packaged in a cartridge or other container.

Including in the definition the requirement that an “e-liquid” contain nicotine will minimize any potential confusion regarding taxing e-liquids as a tobacco product as well as better promote the intent of this bill.

Thank you for the opportunity to testify.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Prohibits shipment of tobacco products, adds electronic smoking devices

BILL NUMBER: HB 2492

INTRODUCED BY: BELATTI, KOBAYASHI, LEARMONT, MIZUNO

EXECUTIVE SUMMARY: Makes unlawful shipment of tobacco products to anyone other than a licensee. Includes e-liquid within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law, thereby making all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid as well. Increases the license fee for wholesalers or dealers and the retail tobacco permit fee.

SYNOPSIS: Adds a new section to chapter 245, Hawaii Revised Statutes, to prohibit certain transport of tobacco products other than to a tobacco licensee, unless either (1) the tobacco products are exempt from tax, or (2) the packaging includes a notice to the effect that the State bans the sale of tobacco products to individuals under 21, and that the recipient is legally responsible for all applicable unpaid taxes on the shipped products. Unlawful shipment of tobacco products is a misdemeanor.

Adds a new definition to HRS section 245-1 of "e-liquid."

Amends the definition of "tobacco products" in HRS section 245 to include e-liquid.

Amends section 245-2, HRS, to raise the annual tobacco license fee from \$2.50 to \$250.00.

Amends section 245-2.5, HRS, to raise the annual retail tobacco permit fee from \$20 to \$50.

EFFECTIVE DATE: July 1, 2018.

STAFF COMMENTS: The question that should be asked is the purpose of the tobacco tax. If the goal is to make people stop smoking by making it cost-prohibitive to smoke, then (a) it's working, as hikes in the cigarette tax have begun to exert downward pressure on collections not only locally but also nationally, but (b) it shouldn't be expected to raise revenue, because of (a). If the goal is to raise more money, then maybe some consideration should be given to lowering the tax to stoke demand.

Digested 1/31/2018

HB-2492

Submitted on: 1/31/2018 5:28:01 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| P Kuromoto | | Oppose | No |

Comments:

Incredibly reckless legislation that creates no benefit but would flat out kill Hawaii businesses and harm the health of Hawaii residents who chose to use vapor products rather than smoke. Science continues to prove vapor as a tremendous breakthrough in public health, Hawaii would be completely regressive to pass horrific legislation like this.

HB-2492

Submitted on: 1/31/2018 10:55:51 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Jinna Kim | | Oppose | No |

Comments:

Hello,

Thank you for taking the time to read my testimony. I have been smoking for many years but with the help of vaping I was able to wean myself off of tobacco and start to make a healthy choice of switching to vaping. This has helped me with my health and I am more active and able to breath better. I have got myself down to 0mg of nicotine in my vape which means there is no nicotine in my vape that is a huge improvement from smoking cigarettes which has more chemicals that is harmful to the body. Please take in consideration on how vaping can change lives and its a better alternative then smoking a cigarette.

Thank you

HB-2492

Submitted on: 1/31/2018 3:13:55 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Vin Kim | Vape Hawaii | Oppose | No |

Comments:

HB-2492

Submitted on: 1/31/2018 12:43:35 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Isaac shimizu | | Oppose | No |

Comments:

Aloha my name is Isaac Shimizu and I strongly oppose this measure. I am a avid vapor and have been smoke free for 4yrs now. I regularly order vape product(s) and this will cause problems for not just me but vapors. Mostly who don't have means of transportation to resonabale vape shop they can go too. Not to mention the relatively cheaper prices online this will burned many people. financially. Again I STRONGLY URGE YOU TOO OPPOSE THIS MEASURE

mahalo for your time

Isaac shimizu

HB-2492

Submitted on: 1/31/2018 3:16:06 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Garrick Aylesworth | | Oppose | No |

Comments:

HB-2492

Submitted on: 1/31/2018 3:35:16 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Vinh | | Oppose | No |

Comments:

To whom it may concern,

I'm opposing Bill HB2492, due to the fact that there's absolutely no tobacco in e-liquids sold to use with electronic e-cigarettes. Nicotine by itself is not harmful and sometimes compared to caffeine. It's also used in the medical industry for curing many ailments and found in the food we eat like potatoes, green tomatoes, cauliflowers and eggplants. For you to classify anything with nicotine content shows a lack of research and studies.

Millions of people use e-cigarettes as a mean to quit dangerous traditional tobacco cigarettes which is a well known for causing lung cancer and many other health issues. By passing this bill you're neglecting the millions of Americans who has successful quit traditional tobacco cigarettes by making the switch.

A recent study from the US FDA has shown that e-cigarettes has a high rate of being much safer than traditional tobacco cigarettes and can help many to transition to completely quitting cigarettes and nicotine all together.

I hope my message comes through, this is more than just passing a bill which makes no sense. This is about thousands if not millions of people's lives and livelihood on the line.

Sincerely, Vince Tran

HB-2492

Submitted on: 1/31/2018 7:21:24 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

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

Comments:

Aloha,

I am the owner of a brick and mortar retail vape shop on the island of Hawaii. I strongly oppose HB2492. This bill will hurt my small business. This bill will cause more cost that I can afford. The State should promote small businesses not hurt them. People can and do buy things online from the internet as it is. The more cost a local Hawaii business has the more prices increase for consumers. The more people that spend local money elsewhere online the more local small businesses fail. Support small local business. Do not add to the fees and cost already involved for local businesses. Shipping to Hawaii is already an enormous expense. The more fees, taxes, license cost that local small business have the more consumers pay and in the end if they save money by buying online they will.

Mahalo,

Michelle Johnston

Sub Ohm Vapes, LLC

Kailua-Kona, Hawaii

HB-2492

Submitted on: 1/31/2018 9:54:48 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Stan-Lee Nii | | Oppose | No |

Comments:

My name is Stan-Lee Nii and I oppose bill HB2492. I oppose this bill because it will cause the price of goods to go up and it has the potential to cause people that have used electronic cigarettes as of form of quitting tobacco to go back to tobacco. The vaping industry has done a lot of good helping people when all other means have failed. Tobacco is an addiction and it is hard for any addict to overcome their addiction. But many have used this method. I myself personally tried all forms of smoking cessation products and they either made me sick, gave me suicidal tendencies or didnt do anything to help me fight my addiction. Then I was introduced to vaping and it has helped me quit tobacco, it has been 4yrs now. If it was not for a local mom & pop type of store that took the time to help me I would probably still be a pack a day smoker. Hawaii seems to have become a state that makes it harder for small businesses, hurting their own people by implementing these types of increases and taxes. This bill will make things more expensive for local shop owners, causing people to turn to online sales which will take away taxes from Hawaii. Thus hurting the local business owners. I implore you to think of the long term and not the short term. The potential amount of state revenue that can be received by not increasing fees and taxes will increase already because of the growth of the industry. So why cause people to revert to online sales because of the affordability when we can keep it in state instead.

HB-2492

Submitted on: 1/31/2018 11:52:16 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Leon Kau | | Oppose | No |

Comments:

STOP! WE ALL HAVE RIGHTS EVEN THOSE WHO SMOKE AND BUY THE PRODUCTS, IN ANY FORM. INDIVIDUAL USE OF PRODUCTS OF ANY KIND ARE RIGHTS AND LIBERTIES I FOUGHT FOR SENT TO VIETAM TO STOP COMMUNISM. WE WASTE LEGISLATIVE TIME ON BILLS THAT INFIRINGE ON FREEDOM. I SHOULD BE ABLE TO BUY MAIL ORDER PRODUCTS TO SAVE PERSONAL DOLLARS AND AVOID TAXES. HEALTH ISSUES ARE PERSONAL, DON'T INFRINGE ON MY FREEDOM AND PERSONAL CHOICES. KILL HB2492. LAWS ARE MADE FOR THE RIGHTS OF ALL, PLEASE DON'T MAKE LAWS AT THE COST OF LIBERTY.

LEON KAU, 3715 PUKALANI PL., HON HI 9616



January 31, 2018

To: The Honorable Representative John Mizuno, Chair
The Honorable Representative Bertrand Kobayashi, Vice Chair
Members, House Committee on Health & Human Services

From: Cory Smith, VOLCANO Fine Electronic Cigarettes®
CEO and Owner

RE: HB 2492 – oppose.

Thank you for the opportunity to submit testimony.

VOLCANO Fine Electronic Cigarettes® is the largest manufacturer and retailer of vapor products and vaping accessories in the State of Hawaii. We currently own and operate 13 locations statewide and employ over 80 full-time workers to support sales of our products not only here in Hawaii, but to all 50 states as well as over 30 International countries. We stand in opposition to HB 2492 for the following:

- Vapor products and e-liquids contain NO tobacco, often times contain NO nicotine, and ultimately emit NO smoke when vaporized, yet **HB 2492 aims to unfairly classify e-liquid products as “Tobacco Products” and erroneously refers to vapor products as “Electronic Smoking Devices”** to bring these products into the same regulatory framework and licensing requirements as traditional tobacco cigarettes.
- **HB 2492 states in its justification that the bill and its regulations are needed to curb youth usage.** It states “The Surgeon General's report noted that e-cigarette use has increased considerably in recent years, growing an astounding nine hundred percent among high school students from 2011 to 2015”. **However, it fails to mention the most recent CDC reported that shows youth use of tobacco products are at the lowest levels ever. Also youth use of vapor products have been declining since 2016, and recent studies have shown that the majority of youth who have reported using e-cigarettes are not using e-liquids that contain nicotine** - further suggesting that youth who do use e-cigarettes are doing so to replace the use of traditional tobacco cigarettes.
<https://www.cdc.gov/media/releases/2017/p0615-youth-tobacco.html>
<https://www.psc.isr.umich.edu/events/archive/feature-detail/1833>
- The most Recent CDC report has shown e-cigarettes have supplanted all other traditional nicotine replacement therapies and are now the most commonly used product by consumers to quit using traditional tobacco cigarettes
http://www.journalnow.com/business/business_news/local/cdc-report-shows-more-smokers-try-to-quit-with-e/article_a33383f3-5300-5178-9f14-28b52884c45c.html
- Recent studies have actually shown that the substantial increase in e-cigarette use among US



VOLCANO®

adult smokers was associated with a statistically significant increase in the smoking cessation rate at the population level: <http://www.bmj.com/content/358/bmj.j3262>

- **HB 2492 states that “e-cigarettes are now regulated as tobacco products at the federal level” but in reality there are many pending lawsuits challenging the legality of those regulations. In response, the FDA has recently delayed the enforcement of many aspects of the proposed regulations until 2022 due to the fact that it is currently unsure of how to truly regulate these products, as they do not fit within the current guidelines of a tobacco product as defined within the Family Smoking and Tobacco Control Act. Furthermore, the head of the FDA Scott Gotlieb released the following statement:**
 - “We do think there’s a potential opportunity for e-cigarettes to be a lower-risk alternative to smokers who want to quit combustible cigarettes.”
<https://www.nytimes.com/2017/07/28/health/electronic-cigarette-tobacco-nicotine-fda.html>
- HB 2492 States in its justification states that the use of licensing and permit fees will help “protect consumers, such as requiring retailers of e-liquids to obtain a retail tobacco permit”. **We fail to see how requiring retailers to obtain a permit will translate to ‘protecting the public’.** Rather, it will simply burden the 50+ small businesses operating in the vapor products industry with unnecessary fees and bureaucratic hurdles.
- **HB 2492 would amount to a 9900% increase in licensing fees. This is a highly unreasonable increase that will result in a significant financial burden for all retailers included in the bills definition.**
- Vapor Products are not the same as tobacco products, and thus, should not be regulated in the same fashion. Vapor products have not been demonstrated to have the same detrimental effects of combustible tobacco products and have otherwise been shown in recent studies to be as much as 95% less toxic than traditional Cigarettes. **Creating extraneous regulations that aim to limit access only serves to protect deadly tobacco markets.**
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/457102/E-cigarettes_an_evidence_update_A_report_commissioned_by_Public_Health_England_FINAL.pdf
- A recent study by the national academy of sciences stated: "there is conclusive evidence that completely substituting e-cigarettes for combustible tobacco cigarettes reduces users’ exposure to numerous toxicants and carcinogens present in combustible tobacco cigarettes." The findings add to the already weighty body of evidence showing vaping to be far less hazardous than smoking. <http://www.washingtonexaminer.com/landmark-e-cigarette-report-explodes-myth-that-vaping-is-as-toxic-as-smoking/article/2646804>
- HB 2492 justification states that without taxing vapor products, “smokers may be tempted to purchase less expensive products such as e-liquid”. This is false. Virtually all



VOLCANO®

e-cigarette starter kits and bottles of e-liquid are already higher priced in comparison to tobacco cigarettes. An average reusable electronic cigarette starter kit ranges in price from \$30 to upwards of \$300 depending on the device. Furthermore, a 15ml bottle of e-liquid (the smallest bottle size currently offered) is currently retailed at \$12.99 at all of our locations, which is nearly 33% more costly than a standard pack of cigarettes, yet it provides nearly the same amount of puffs.

It is our belief that this unjustified classification and requirements are not in the best interests of the State of Hawaii. Thank you for your time and consideration. If you have any questions, please feel free to contact me directly.

Sincerely,
Cory N. Smith
CEO & Owner
VOLCANO Fine Electronic Cigarettes®
1003 Bishop Street #1260
Honolulu, HI 96813
cory@volcanoecigs.com

HB-2492

Submitted on: 2/1/2018 6:34:04 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|-------------------------|---------------------------|---------------------------|
| Johnathon Myers | Cigar Rights of America | Oppose | No |

Comments:

I strongly OPPOSE prohibiting Internet sales of cigars, e-cigarette, tobacco products. There are plenty of Laws in place already in the State of Hawai'i that prevent youth from purchasing tobacco products--enforce them. There are plenty of Laws in place to tax online sales of purchased products--enforce them. The State of Hawai'i does not need to legislate adults' online purchasing. I am a staunch supporter of the #SUPPORTLOCAL movement in Hawai'i, but this proposed Bill is a clear example of Government overreach--especially on an island with limited resources/retailers. In addition, I strongly OPPOSE the increase in the license fee from \$2.50 to \$250, as well as stongly OPPOSE the increase in the retail tobacco permit from \$20 to \$50.

HB-2492

Submitted on: 2/1/2018 8:15:25 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Vickie Kau | | Oppose | No |

Comments:

HB-2492

Submitted on: 2/1/2018 1:55:36 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Nicholas Winters | | Oppose | No |

Comments:

Strong Opposition to HB2492. I don't want to get beat up with more taxes.



American Heart Association testimony in SUPPORT of HB 2492, Relating to Chapter 245, Hawaii Revised Statutes

The American Heart Association **supports** HB 2492 which makes unlawful shipment of tobacco products to anyone other than a licensee, includes e-liquid within the definition of “tobacco products,” as used in the cigarette tax and tobacco tax law, and increases the license fee for wholesalers or dealers and the retail tobacco permit fee. The AHA also recommends that a significant portion of the increased revenue from the addition of e-liquid to the state’s tobacco tax be earmarked to support State-funded tobacco prevention, education and cessation programs.

While Federal law already prohibits the delivery and shipment of cigarettes, adding a state restriction on the direct delivery and shipment of electronic smoking devices to consumers would help to close the online sales loophole of those products and help to protect Hawaii’s youth from unscrupulous marketers of those products.

Internet sales of tobacco products and e-cigarettes are a significant public health concern because they evade state taxes and significantly undermine tobacco control efforts. In Hawaii, it is currently illegal to sell tobacco products, including e-cigarettes, to those under the age of 21. Hawaii’s age to 21 law plays a critical role in preventing youth initiation and addiction to tobacco products, yet internet sellers can circumvent this restriction by providing easy access to these products.

E-cigarettes are now the most popularly used tobacco product among Hawaii’s youth. According to recent Department of Health data, almost half of Hawaii’s youths have tried e-cigarettes, and 25 percent are now regular users. Those levels mirror youth cigarette use at its peak in Hawaii. This is concerning because e-cigarettes often contain nicotine and serve as a gateway to traditional cigarette use. Recent studies also indicate that e-cigarettes produce the same cardiovascular and respiratory risks as traditional cigarettes.

By adding e-liquid within the definition of the state’s “tobacco products” it would apply the tobacco tax to those products. This would have the greatest impact on reducing smoking rates among the lower income and youth markets, which are more price sensitive, and which are the most highly targeted by tobacco industry marketing and advertising. Those groups also suffer the most from tobacco product use and will, consequently, benefit the most from any effective new measures to reduce tobacco use. Their health problems caused by tobacco use also disproportionately affect Medicaid costs to the state.

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Please remember the American Heart Association in your will.





American Heart Association | American Stroke Association

In Hawaii alone, tobacco use claims 14,400 lives each year and creates \$526 million in annual health care costs (\$141.7 million of that is covered by the state Medicaid program). Hawaii residents' state & federal tax burden from tobacco-caused government expenditures is \$836 per household. Hawaii's estimated tobacco tax and license revenue, estimated to be almost \$138.8 million does not come close to offsetting the losses to the state caused by tobacco use. Smoking declines caused by state taxes directly reduce these smoking-caused economic burdens for all taxpayers, and Hawaii businesses which bear the brunt of employee healthcare costs in our state.

The tobacco industry spends an estimated \$25.5 million each year marketing its products in Hawaii. Hawaii's \$5.3 million investment in tobacco prevention, control and cessation programs pale in comparison, and fall well short of the Centers for Disease Control's (CDC) best practice recommendation of a \$13.7 million annual investment. Allocating revenue generated from taxing e-liquid to community prevention, education and cessation programs would help to increase the desired impact of this legislation by further reducing the use of electronic smoking devices by our youth and most health vulnerable populations. The American Heart Association urges you to correct the loophole in our state's age restriction, taxation, and public health laws. It is imperative to continue to curtail tobacco use in any form, especially among our youth, if we are to control our state's healthcare costs and keep its Pre-Paid Healthcare law sustainable.

Please support HB2492.

Respectfully submitted,

Donald B. Weisman
Hawaii Government Relations/Communications Director

*"Building healthier lives,
free of cardiovascular
diseases and stroke."*

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Please remember the American Heart Association in your will.



Friday, February 2, 2018 at 8:30am
Conference Room 329

House Committee on Health and Human Services

To: Representative John M. Mizuno, Chair
Representative Bertrand Kobayashi, Vice Chair

From: Michael Robinson
Vice President & Government Relations

Re: Testimony in Strong Support of HB2492

My name is Michael Robinson and I am Vice President and Government Relations at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. Its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox – specialize in innovative programs in women's health, pediatric care, cardiovascular services, cancer care, bone and joint services and more. Hawai'i Pacific Health is recognized nationally for its excellence in patient care and the use of electronic health records to improve quality and patient safety.

I **strongly support** HB2492 which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii has decreased through the years, ESD use has rapidly increased, threatening significant public health gains through our Tobacco 21 law and tobacco youth access laws. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

Thank you for your consideration of this testimony in strong support of HB2492.



February 2, 2018

RE: **SUPPORT HB 2492 Relating to Chapter 245 Hawaii Revised Statutes**

Dear Chair Mizuno, & Members of the Committee on Health & Human Services:

At Blue Zones Project we are working to make Hawaii a happier, healthier place to live, work and play. We support HB 2492, which will help to achieve better health for many of our residents, especially our youth. In Hawaii alone, smoking causes 1,400 adult deaths every year, costing \$256 million. Limiting the use of tobacco would be the most effective way to prevent a number of chronic disease and other harmful health consequences.

Although Hawaii and California have the strictest laws in the nation that prohibit the sale of tobacco to individuals under the age of 21, our children are still able to easily purchase cigarettes and other tobacco products via the Internet. This legislation will close that loophole by only allowing the shipment of cigarettes and OTPs to licensed retailers, where a person would then be able to pick up the product ordered online.

Hawaii continues to see a steep rise in the use of electronic smoking devices especially among youth. One in four Hawaii youth have used ESDs, higher than the national average. The unregulated industry of online sales allows yet another avenue for youth to easily obtain these products. There is very little regulation of these online purchases to ensure that the customer is 21 years old in accordance with our state law. The unregulated ESD industry continues to aggressively target children through a variety of online campaigns offering deep discounts and candy flavored tobacco products.

This bill addresses the definition of "e-liquid" creating consistency through the HRS, making it clear to both the public and retailers that e-liquid is a tobacco product. HB 2429 will enable e-liquids to be taxed at the same rate of cigarettes; nicotine in either form poses serious health risks. This tax will help to address the growing population of youth who utilize e-liquids because of lower costs.

Beyond taxing, this bill requires the permitting and licensing for the sale of e-cigarettes. Currently this industry is unregulated enabling the sale in places that are traditionally high traffic for youth and placed in prominent, visible places. Through regulation there can be a targeted effort to provide education to retailers around our current tobacco laws.

We are grateful to the Committee for hearing HB 2492 and hope that you will strongly consider passing this bill to support the decrease of illegal access and sales of tobacco products. Mahalo for your support in creating a better, healthier Hawaii.

With aloha,

A handwritten signature in black ink that reads "Peggy Mierzwa".

Peggy Mierzwa

Statewide Policy Lead

Blue Zones Project—Hawaii

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February 1, 2018

To: The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

Re: **Strong Support for HB2492**

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

The Hawaii Public Health Association is a group of over 600 community members, public health professionals and organizations statewide dedicated to improving public health. HPHA also serves as a voice for public health professionals and as a repository for information about public health in the Pacific.

HPHA strongly supports HB2492 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable e-cigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

Thank you for the opportunity to provide testimony on important health issues affecting people in Hawai'i.

Respectfully submitted,

A handwritten signature in black ink that reads 'Holly Kessler'.

Holly Kessler, Executive Director
Hawai'i Public Health Association



Date: February 1, 2018

To: The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

From: Jessica Yamauchi, Executive Director, Hawai'i Public Health Institute

Re: **STRONG SUPPORT** for HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

Thank you for the opportunity to submit testimony in **STRONG SUPPORT** of HB2492 which imposes a tax on e-liquid, including disposable electronic smoking devices (ESDs), requires wholesalers and retailers to obtain a license and a retail tobacco permit, and restricts the shipment of tobacco products other than a licensee.

The Coalition for a Tobacco-Free Hawai'i (Coalition) is a program of the Hawai'i Public Health Institute (HIPHI) that is dedicated to reducing tobacco use through education, policy, and advocacy. With more two decades of history in Hawai'i, the Coalition has led several campaigns on enacting smoke-free environments, including being the first state in the nation to prohibit the sale of tobacco and electronic smoking devices to purchasers under 21 years of age.

E-cigarette use among youth and young adults has become a public health concern.

In 2017, 1 in 4 (25.5%) public high school students and more than 1 in 6 (15.7%) public middle school students in Hawaii reported that they are regularly vaping. Because they remain unregulated, e-cigarette companies have aggressively marketed their products by glamorizing their use, using celebrities and young adults as endorsers, and making false health claims. E-cigarettes often contain nicotine, which is addictive and harmful particularly to adolescents, whose brains are still developing. A 2016 report by the Surgeon General concluded that e-cigarettes are dangerous and a health threat to youth and young adultsⁱ.

Electronic smoking devices (ESDs) are the only tobacco product without a tobacco tax.

In 2016, the FDA deemed e-cigarettes, including its components and parts as tobacco products. In a pollⁱⁱ conducted by Ward Research Inc. for the Coalition in November 2018, 81% of registered Hawai'i voters were in support of taxing e-cigarettes at the same rate as cigarettes or other tobacco products. Because ESDs are not subject to current State tobacco tax laws, they are seen as lower-priced tobacco alternatives with virtually no restrictions that can be appealing to the youth. A scan of online e-liquid products show that a popular brand can be bought for \$10.99 wholesale, and \$27.99 retail for a 60mL bottle.

ESD licensing and permits protect both consumers and merchants. The Coalition recommends that ESD sellers and vendors obtain a tobacco permit to help facilitate the communication and enforcement of current tobacco tax and purchase laws. Currently, there is no database that tracks who is selling ESDs in the state, making it difficult for state agencies to know if ESD merchants are compliant with our laws.

HB2492 would also help in the distribution of proper signage that help to educate Hawai'i residents and visitors on current laws. Without permitting and licensing, store density and distribution of these products will only continue to grow. In addition, regular exposure and marketing of vape products create the impression that youth use of these products is acceptable.

The Coalition further recommends that a portion of the revenue collected from ESD and e-liquid taxes be dedicated to tobacco prevention and quit programs.

The same statewide poll found that 89% of registered Hawaii voters overwhelmingly agree that it is important for the State to earmark some of the revenue to programs aimed at preventing tobacco use among kids and to helping smokers quit. Currently no revenue from cigarette or OTP taxes is appropriated for tobacco prevention and cessation. When the price of tobacco increases, more people seek help to quit and we need to ensure programs are available and accessible by the public to help them quit.

In addition, the current license fee for wholesalers and dealers is only \$2.50 a year, while retail tobacco permit fees cost only \$20 a year. Hawai'i has one of the lowest fees in the nation for both wholesalers and retailers. **The Coalition supports increasing the wholesaler and dealer license fee to \$250.00 and the retail tobacco permit fee to \$50.00.**

The U.S. Surgeon General issued an immediate call to action for all local and state government to enact policies that address the harmful impact of e-cigarettes. Hawai'i has already made enormous progress on tobacco control and we ask the legislature to take the necessary steps to reduce the negative health impact made by e-cigarettes and other emerging tobacco products.

Thank you for the opportunity to testify. We strongly support HB2492 and respectfully ask you to pass this measure out of committee.

Mahalo,



Jessica Yamauchi, MA
Executive Director, HIPHI

ⁱ U.S. Department of Health and Human Services. *E-Cigarette Use Among Youth and Young Adults, a Report from the Surgeon General* (2017). from https://e-cigarettes.surgeongeneral.gov/documents/2016_SGR_Exec_Summ_508.pdf

ⁱⁱ This study by Ward Research, Inc. summarizes findings from a phone survey among n=804 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between October 24 and November 16, 2017.

Testimony:

Date: February 1, 2018

To: The Honorable John Mizuno, Chair

The Honorable Bertrand Kobayashi, Vice Chair

Members of the House Committee on Health and Human Services

Re: Strong Support of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

I **strongly support** HB2492 which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii has decreased through the years, ESD use has rapidly increased, threatening significant public health gains through our Tobacco 21 law and tobacco youth access laws. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

I **strongly support** HB2492 and ask you to pass this out of committee. Mahalo.

Sincerely yours,



Andy Ancheta, MPH

HB-2492

Submitted on: 1/31/2018 3:09:24 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Krystal Baba | | Support | No |

Comments:

HB-2492

Submitted on: 1/31/2018 3:13:34 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| C. Azelski | | Support | No |

Comments:

ESDs were deemed as tobacco products by the FDA in 2016. What are we waiting for? Please support HB2492.

Aloha kakou,

I strongly support HB2492 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national, statewide and local public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. I believe youth and young adults are heavily, even subliminally, marketed! While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. This is of serious concern to me, as a Social Worker, as I have been dealing with addictions, co-dependency and dysfunctional families for a great and longtime delivery within my practice. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, and I'm including iour keiki!

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable e-cigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support HB2492 and ask you to pass this out of committee.

Me ka 'oia'i'o,

John A. H. Tomoso+, MSW, ACSW, LSW
51 Ku'ula Street
Kahului, HI 96732-2906
john.a.h.tomoso@gmail.com
808-280-1749

Date: January 31, 2018

To: The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

Re: **SUPPORT for HB2492**, Relating to Chapter 245, Hawai'i Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

Aloha House Committee on Health and Human Resources,

I am writing in strong **SUPPORT of HB2492** that would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, shipment restrictions, and licensing and permitting.

Use of ESDs among youth and young adults has become a national public health concern. ESDs are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While cigarette smoking rates in Hawai'i have decreased through the years, ESD vaping has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because ESDs provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, ESD manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing their use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ESDs and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy to reduce use. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This legislation will also require permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly **support HB2492** and respectfully ask you to pass this bill out of committee.

Mahalo nui for your consideration,

Forrest Batz, PharmD
Keaau, HI



Testimony

Date: January 31, 2018

To: The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

Re: Strong Support of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

I, ***Lisa Dau on behalf of Keiki Injury Prevention Coalition***, strongly support HB2492 which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii has decreased through the years, ESD use has rapidly increased, threatening significant public health gains through our Tobacco 21 law and tobacco youth access laws. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

I strongly support HB2492 and ask you to pass this out of committee.

Mahalo,
Lisa Dau, RN
Injury Prevention Coordinator
Keiki Injury Prevention Coalition

HB-2492

Submitted on: 2/1/2018 8:55:03 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Tommy Noyes | | Support | No |

Comments:

Strong Support of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

To the House Committee on Health and Human Services,

The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

Aloha,

Kindly accept my testimony supporting HB-2492, as this measure will help reduce tobacco use among our most vulnerable population—school children.

No parent wants their child to grow up addicted to tobacco, whether traditional cigarettes or electronic nicotine delivery systems. Please aid that effort by assuring that this bill advances intact from your committee.

Mahalo,

Tommy Noyes

Date: February 1, 2018

To: The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

Re: Strong Support of HB 2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

Thank you for the opportunity to submit testimony in SUPPORT of HB 2492, which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

As a student at the University of Hawaii at Manoa, I've had the opportunity to work with the Health Promotion Program for over six years. During this time I have been involved with the passing of Legislative Act 122, which prohibits the sale of all tobacco products to anyone under the age of 21. I have also been involved with supporting several other legislative efforts that have helped to reduce the use of tobacco products, including e-cigarettes, among the adolescent and young adult population.

I am also a student teacher and have experience working in several public middle and high schools across the island. Despite the laws and regulations currently in place, I have seen numerous students continuing to use tobacco products, especially e-cigarettes. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. Making ESDs more expensive will certainly help lessen e-cigarette use among the middle and high school population.

This bill will also require permitting and licensing, which will allow the state to be aware of who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

I strongly support and urge the passing of HB 2492.

Mahalo,
Stormy Dodge

HB-2492

Submitted on: 2/1/2018 2:02:51 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Katie Folio | | Support | No |

Comments:

Aloha,

My name is Katie Folio and I am submitting this testimony as a private citizen in **STRONG SUPPORT** of HB 2492, which would regulate ESDs by applying a tax on disposable ESDs and e-liquids and by requiring retailers and wholesalers to be permitted and licensed.

As a Maui County resident, I can attest that vaping among our youth is rampant. The issue of underage use of e-cigarettes has become a priority issue for our public health community, our schools, our police, parents, and our local coalitions. The state of Hawaii has some of the highest youth use rates for ESDs, and Maui County ranks highest of all our counties at approximately 33% for our high school kids. These rates are among the highest in the COUNTRY, let alone the state. Over 18% of our middle school kids are vaping now as well, and I have heard that vapes are being confiscated in our elementary schools. To make matters worse, scientific studies are coming out, one after another, showing that vaping leads to smoking for youth. It's a huge problem and something needs to be done about it.

It needs to start with more regulation around the e-cigarette industry. There is no reason they should be held to a lesser standard than the tobacco industry. They are using the same tactics to addict youth to nicotine that tobacco once used, and they are making a fortune off of it. At the very LEAST, these products need to be taxed, and retailers need to be permitted and licensed. As of now we don't even know the extent of the supply in our own communities, because without licensing and permits we don't know who is selling or where.

Please help our youth by initiating some basic regulation around the sale of ESDs before this gets even more out of hand.

Mahalo nui loa,

Katie Folio

Kula, Hawai'i

LATE

HB-2492

Submitted on: 2/1/2018 4:08:42 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|-------------------------------|-------------------------------|
| Kimo Cruz | | Oppose | No |

Comments:

LATE

HB-2492

Submitted on: 2/1/2018 5:17:57 PM
Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|--------------|--------------|--------------------|--------------------|
| Chelsea Dau | | Support | No |

Comments:

I **strongly support** HB2492 which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii has decreased through the years, ESD use has rapidly increased, threatening significant public health gains through our Tobacco 21 law and tobacco youth access laws. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

I strongly support HB2492 and ask you to pass this out of committee.

Mahalo,

Chelsea Dau

LATE

Testimony:

Date: January 31, 2018

To: The Honorable John Mizuno, Chair

The Honorable Bertrand Kobayashi, Vice Chair

Members of the House Committee on Health and Human Services

Re: Strong Support of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

Thank you very much for your time and consideration as I present my testimony in **strong support** of HB2492. My name is Maggie Morris and I am a Masters of Public Health student at the University of Hawaii at Manoa.

Not only are electronic smoking devices (ESD) spreading across the nation among adults, but our youth are taking up vaping and this is a major public health concern. E-cigarettes are a tobacco product that has become a popular trend and although individuals in Hawaii are smoking cigarettes less, numbers in ESD use are rising rapidly. Despite our tobacco 21 law and tobacco youth access laws, many high school students still use e-cigarette devices which allows them to get addicted to the small amounts of nicotine. It has been proven that even the smallest exposure to nicotine can cause a user to become addicted in the long-run. Additionally, individuals are at a much higher risk of taking up smoking cigarettes if they regularly use an ESD. Although vaping has a much lower impact on the lungs than that of a traditional cigarette, ESD usage contributes to cardiovascular disease and impaired brain development found in regular smoking. Our youth in Hawaii should not have worry about the long-term heart and brain damages because of how easy accessing an ESD device is.

ESD companies will continue to market and make easily accessible their products to our youth without any regulation. We should seek to improve the health of everyone and this can often be attained through preventative measures. This issue needs to be addressed at its root of the problem, and as seen with other tobacco products, regulating as well as taxing e-cigarettes will discourage consumers from purchasing the devices. Additionally, the revenue can go towards tobacco prevention and intervention programs.

I strongly support HB2492 and ask you to pass this out of committee.

Mahalo,
Maggie Morris

LATE

HB-2492

Submitted on: 2/1/2018 5:31:17 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Anthony Orozco | | Oppose | No |

Comments:

HB-2492

Submitted on: 2/1/2018 5:40:31 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

LATE

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Monika Lopez | | Oppose | Yes |

Comments:

LATE

HB-2492

Submitted on: 2/1/2018 6:08:04 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Bill Medeiros | | Oppose | No |

Comments:

I mostly oppose this bill as it infringes on the rights of residents and visitors to purchase and receive legal products from lawfully operating companies. Moreover, while these products may be available from local retailers, these retailers may not provide a full inventory of products and may not provide the same inventory in rural areas of the state, as is available on Oahu. Growing up on the Neighbor Islands in the days of the territory, we depended on mail order suppliers long before there was an internet. We shopped locally but still waited for the Sears Roebuck catalog to come in the mail.

Finally, making something illegal to purchase, does not necessarily make it impossible to purchase - aerial fireworks have been illegal for decades, and yet, people still find a way.

For these reasons, I am opposed to this bill.

LATE

HB-2492

Submitted on: 2/1/2018 6:35:01 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|-------------------------|---------------------------|---------------------------|
| Michael Zehner | Hawaii Smokers Alliance | Oppose | Yes |

Comments:

We strongly oppose this unfair and unjust tax increase.

HB-2492

Submitted on: 2/1/2018 7:04:28 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

LATE

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Dallas Nelson | | Oppose | No |

Comments:

LATE

HB-2492

Submitted on: 2/1/2018 7:29:14 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| David McCann | | Oppose | No |

Comments:

No bans! No tax hikes!



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LATE

**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
FEBRUARY 2, 2018**

Re: HB 2492 RELATING TO CHAPTER 245, HAWAII REVISED STATUTES.

Good morning Chairperson Mizuno and members of the Committee on Health and Human Service. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization committed to supporting the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

The Retail Merchants of Hawaii opposes HB 2492 that makes it unlawful to ship tobacco products to anyone other than a licensee, and as well as increasing the license fee for wholesalers or dealers and the retail tobacco permit fee.

Many retailers statewide are already operating on a thin margin and face stiff competition from not only other brick and mortar retailers but online sales as well. By increasing the taxation and fees on these products, small businesses will stand to be hurt as they would have to increase their upfront cost of stocking electronic smoking devices and cigarettes. Many of the businesses that sell electronic cigarettes and e-liquid are small, locally owned shops that will be hit hard by the tax increase. This higher cost of doing business may also force some stores to close, leaving people out of work.

We ask that this committee hold this measure.

Again mahalo for this opportunity to testify.

LATE

HB-2492

Submitted on: 2/1/2018 8:16:33 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Chris C.K. Arakaki | | Oppose | No |

Comments:

LATE

HB-2492

Submitted on: 2/1/2018 8:59:58 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Mark Owens | | Oppose | No |

Comments:

LATE

Date: February 1, 2018

To: The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

From: Raychelle Valiente

Re: **SUPPORT for HB2492, Relating to Chapter 245, Hawaii Revised Statutes**

Hrg: February 2, 2018 at 8:30am at Conference Room 329

I **SUPPORT** HB2492, which regulates ESDs by applying a tax on disposable ESDs and e-liquids and by requiring retailers and wholesalers to be permitted and licensed.

E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. Although ESDs were made to decrease the use of cigarettes, it has also fostered a modernized culture of smoking. The cool tricks on social media entice youth to try an ESD. The fun names and interesting smells of the liquid, are aimed to target our youth. These glamorized portrayals of smoking are directed to today's youth. If tobacco is illegal for those who are under 21, how are the youth of Hawai'i able to readily access ESDs and e-liquids?

By placing tax on ESDs and e-liquids and requiring retailers and wholesalers to be permitted and licensed, youth will be less able to access ESDs. Although ESDs are used amongst a wide range of ages, a 2017 Youth Risk Behavior Survey concluded that 42.3% of high school students have experimented with ESDs and 1 in 4 high school students regularly use ESDs, which are essentially tobacco products, according to the FDA.

To better regulate and protect our youth, I urge the legislature to regulate and tax disposable e-cigarettes and e-liquid the same way as other tobacco products. And to further hold adults accountable for our youth by requiring permitting and licensing to better enforce tobacco laws. A portion of the income should also be dedicated to educating our youth about tobacco prevention and strengthening state quit programs.

I strongly support HB2492 and ask you to pass this out of committee.

Mahalo,
Raychelle Valiente

LATE

HB-2492

Submitted on: 2/1/2018 9:37:21 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Ivannia Alay | Student | Support | Yes |

Comments:

Date: January 31, 2018

To: The Honorable John Mizuno, Chair

The Honorable Bertrand Kobayashi, Vice Chair

Members of the House Committee on Health and Human Services

From: Ivannia Alay

Re: Strong Support of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

My name is Ivannia Alay, I am a graduate student with the school of social work at the University of Hawaii at Manoa. I am testifying in favor of House Bill 2492, which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes have become a popular “trendy” tobacco product among youth and young adults. It is marketed directly to our youth, by offering popular e-liquid flavors, and glamorizing its use through social media and other media outlets. It resembles a time not that long ago when cigarette smoking was glamorized through advertisement. It is the same monster in a different costume, and I can’t help to notice history is repeating itself.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products. This is particularly concerning because e-cigarettes provide a new way to

deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including our keiki.

Imposing a tax on e-liquids will also encourage users of e-liquids to quit, sustain cessation, prevent youth initiation, and reduce consumption among those who continue to use them.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

I strongly support HB2492 and ask you to pass this out of committee.

Mahalo,

Ivannia Alay

LATE

Date: February 1, 2018

To: The Honorable John Mizuno, Chair
The Honorable Bertrand Kobayashi, Vice Chair
Members of the House Committee on Health and Human Services

Re: Strong Opposition of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

I **strongly oppose** HB2492 which attempts to regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

E-cigarette use has helped traditional tobacco users quit and help save lives. There are several studies that have shown vapor emitted from electronic smoking devices (ESDs) to have much lower levels of toxicants present in traditional tobacco smoke. Long term health effects of vaping are unknown compared with traditional tobacco such as cigarettes. ESD vapor are likely to be much less, if at all, harmful to users or bystanders (Hajek, P., Etter, J.F., Benowitz, N., et.al., Electronic cigarettes: review of use, content, safety, effects on smokers and potential for harm and benefit. Society for the Study of Addiction, vol 109, issue 11, Nov. 2014. 1801-1810).

ESDs are increasingly popular among smokers as an alternative and there is no hard evidence of regular use to be as detrimental as traditional tobacco. Just the fact that ESDs enable users to reduce or quit smoking is a huge benefit and could save the state in health care costs.

The e-liquid used in ESDs consists of two to three ingredients (depending on the mixture) that does not need to include nicotine. The ingredients are propylene glycol, vegetable glycerin, and artificial food flavorings; all of which are in daily foods we eat, cosmetics, and soaps. What is emitted is water-based vapor; very different from tobacco smoke.

The FDA continues to regulate traditional tobacco cigarettes in which there is evidence of heavy carcinogens, tar, and fiberglass; all of which cause cancer and death. Yet tobacco is still legal in this country. More efforts should be put towards eradicating traditional cigarettes instead of the ESDs which are helping people combat cigarette addiction.

Please allow the people of Hawaii to continue to access ESDs to help with their tobacco addiction. There are harmful medications available of which have been used to treat tobacco addiction that have dangerous side affects. For example Chantix can cause depression, seizures, cardiovascular and blood vessel complications. These medications can be very expensive. ESDs are definitely a healthier alternative. I have been vaping for 3 years after smoking cigarettes since I was in the 7th grade. I feel stronger, healthier (breathe better) and my sense of taste has returned. There are positive effects of ESDs. Please don't take away the opportunity for tobacco smokers to access lower cost alternatives.

I strongly oppose HB2492 and ask you to kill this bill on the spot.

Mahalo,

Electronically signed

Jonathan Poynter

LATE

HB-2492

Submitted on: 2/1/2018 10:57:16 PM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Chris Wells | | Oppose | No |

Comments:

E-cigs help people quit. HB2492 is hurts that effort.

LATE

HB-2492

Submitted on: 2/2/2018 12:44:35 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Devin Wolery | | Oppose | No |

Comments:

Imposing a 70% tax on eliquid will cripple the industry locally. It will force many businesses to close. Thus raising the unemployment rate in Hawaii.

It has done it to many other states that have had tax bills pass.

LATE

HB-2492

Submitted on: 2/2/2018 1:44:25 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Sean Chai | | Oppose | No |

Comments:

Hawaii will not generate significant tax revenues from tobacco/premium cigars/e-vapor products.

Revenue estimates vary widely across the board due in part to a lack of data in this category, including the uncertainty of how much tax can be collected at the wholesale level. Many adult consumers purchase these products through non-traditional channels, including online or in shops.

LATE

Testimony:

Date: February 1, 2018

To: The Honorable John Mizuno, Chair

The Honorable Bertrand Kobayashi, Vice Chair

Members of the House Committee on Health and Human Services

Re: Strong Support of HB2492, Relating to Chapter 245, Hawaii Revised Statutes

Hrg: February 2, 2018 at 8:30am at Capitol Room 329

I **strongly support** HB2492 which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii has decreased through the years, ESD use has rapidly increased, threatening significant public health gains through our Tobacco 21 law and tobacco youth access laws. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate and enforce current tobacco laws.

I strongly support HB2492 and ask you to pass this out of committee.

Mahalo,
Cherie Andrade

LATE

HB-2492

Submitted on: 2/2/2018 7:04:43 AM

Testimony for HHS on 2/2/2018 8:30:00 AM

| Submitted By | Organization | Testifier Position | Present at Hearing |
|---------------------|---------------------|---------------------------|---------------------------|
| Sabrina Spencer | | Oppose | No |

Comments:

Enough already of this unfair taxation of smokers and vapers.