

#### ON THE FOLLOWING MEASURE:

S.B. NO. 404, S.D. 2, RELATING TO CHAPTER 245, HAWAII REVISED STATUTES.

#### **BEFORE THE:**

HOUSE COMMITTEES ON HEALTH AND ON CONSUMER PROTECTION AND COMMERCE

**DATE:** Wednesday, March 22, 2017 **TIME:** 2:15 p.m.

**LOCATION:** State Capitol, Room 329

**TESTIFIER(S):** Douglas S. Chin, Attorney General, or

Janine R. Udui, Deputy Attorney General

Chairs Belatti and Takumi and Members of the Committees:

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

The purpose of this bill is to require retailers of electronic smoking devices or eliquids to obtain a retail tobacco permit, and increases certain license and permit fees involving the sale of electronic smoking devices or e-liquids. Additionally, the bill imposes an excise tax on electronic smoking devices or e-liquids sold in the State.

The Department recommends the bill amend section 245-2.7(a), Hawaii Revised Statutes (HRS), Unlawful Tobacco Retailing in the Second Degree, to include the unlawful sale of electronic smoking devices or e-liquids without a retail tobacco permit. Currently, in section 4, on page 11, lines 7 through 16, it is made unlawful for a retailer engaged in the retail sale of electronic smoking devices or e-liquids to sell, possess, keep, acquire, distribute, or transport electronic smoking devices or e-liquids without a retail tobacco permit. However, the bill does not impose a penalty for these retailers of electronic smoking devices or e-liquids who fail to obtain a retail tobacco permit. Section 245-2.7, HRS, currently provides a penalty for retailers of less than five thousand cigarettes or any tobacco products who fail to obtain a retail tobacco permit, and accordingly, amending this section to include electronic smoking devices or e-

Testimony of the Department of the Attorney General Twenty-Ninth Legislature, 2017 Page 2 of 2

liquids would provide consistency with the section. The recommended amendment to section 245-2.7(a), HRS, is as follows:

Beginning March 1, 2007, a person or entity required to obtain a retail tobacco permit commits the offense of unlawful tobacco retailing in the second degree if the person or entity recklessly fails to obtain a valid permit required under section 245-2.5 and, for the purposes of retail sale, recklessly sells, possesses, stores, acquires, distributes, or transports fewer than five thousand cigarettes, [er] any tobacco products[-], electronic smoking devices, or e-liquids.

. . ..

The Department respectfully recommends that the above amendment made in order to better promote the intent of this bill. Thank you for the opportunity to testify.

DAVID Y. IGE



VIRGINIA PRESSLER, M.D. DIRECTOR OF HEALTH



P. O. Box 3378 Honolulu, HI 96801-3378 doh.testimony@doh.hawaii.gov

## Testimony in SUPPORT of SB0404, SD2 RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

## REPRESENTATIVE DELLA AU BELATTI, CHAIR HOUSE COMMITTEE ON HEALTH

## REPRESENTATIVE ROY TAKUMI, CHAIR HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Hearing Date: March 22, 2017 Room Number: 329

- 1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation
- 2 (DoTAX) on fiscal implications.
- 3 **Department Testimony:** DOH supports the purpose of SB0404, SD2 and concurs with
- 4 proposed SD2 amendments. The imposition of an excise tax equal to seventy percent of the
- 5 wholesale price of each electronic smoking device (ESD), or e-liquid, is consistent with the tax
- 6 on other tobacco products. This strategy has been proven effective with cigarettes and other
- 7 tobacco products to prevent youth and young adults from initiating tobacco use. Currently,
- 8 ESDs are the only tobacco product that is not taxed. The Department is particularly concerned
- 9 about the rapid adoption of ESDs by youth in Hawaii and exposure to nicotine which is highly
- addictive and can lead to use of other tobacco products. From 2011 to 2015 high school
- students increased use by four-fold to 20%, and middle school students six-fold to 12%.
- According to a report released on March 21, 2017 in the American Journal of Public Health,
- almost 99% of e-cigarette products sampled from January 1, 2015 to December 12, 2015 in U.S.
- retail stores (not including "vape shops") contained nicotine.<sup>4</sup>
- The proposed tax would cover the ESD and the components of the device, whether or not
- sold separately, including, but not limited to atomizers, coils, drip tips, and tanks. Last year, the
- federal Food and Drug Administration (FDA) extended its regulatory authority to cover all

- tobacco products, including ESDs. The deeming regulation defined components or parts to
- 2 include "software or an assembly of materials intended or reasonably expected to alter or affect
- 3 the tobacco product's performance, composition, constituents, or characteristics; or to be used
- 4 with or for the human consumption of a tobacco product."<sup>5</sup>
- The Department supports the proposed amendments to the definitions of dealer, retailer,
- 6 and wholesaler. The addition of ESDs and e-liquids into these definitions broadens the entities
- 7 that will need to obtain the applicable license or permit. Currently, all that is required of these
- 8 vendors is a General Excise License. A statewide survey conducted by the University of Hawaii
- 9 Cancer Center identified more than 100 ESD establishments (vape shops), separate from tobacco
- retail outlets. However, no specific database exists from the DoTAX to confirm this number.
- Licensure and retail permitting would bring ESD vendors in alignment with the traditional
- tobacco retailers, and would provide accurate data for compliance surveillance.
- DOH further supports the proposed increases in licensure and permitting fees which have
- remained unchanged since 1995, and expands the requirements to those who sell ESDs and e-
- 15 liquids. Tobacco licensing is an effective tool for limiting the negative public health
- consequences of tobacco use by ensuring that wholesalers and retailers comply with responsible
- 17 sales practices.
- An analysis of tobacco sales license requirements across the United States reveals a very
- broad range of fees for different statutory purposes. The amounts vary from no fee at all to
- \$1,500/year. Of the 40 states that do have fees, 26 states charge \$100/ year or more and 14 states
- 21 charge \$200/year or more. Nine states charge between \$500/year and \$1,500/year. Hawaii is
- one of only two states that charge a wholesaler less than a retailer. The proposed increase to the
- 23 license fee from \$2.50 to \$250 a year is in line with national practices.
- The retail tobacco permit of \$20 was instituted in 2006 and is administered by DoTAX.
- 25 The purpose of the fee is to cover administrative costs. Nationally, amounts can vary from no
- fee to \$1,000/year. Of the 34 states that have retailer fees, 15 states charge more than \$20/year
- but less than \$100/year, with about half (8 out of 15) of those states charging \$50/year or more.

- 1 The proposed increase to the tobacco permit fee from \$20 to \$50 a year is in line with national
- 2 practices.
- Thank you for the opportunity to testify.
- 4 **Offered Amendments:** None

<sup>&</sup>lt;sup>1</sup> Centers for Disease Control and Prevention, Office of Smoking and Health. E-cigarette information. November 2015.

<sup>&</sup>lt;sup>2</sup> Kamat, A.D., Van Dyke, A.L. Use of electronic nicotine delivery systems among adolescents: status of the evidence and public health recommendations. *Pediatric Annals*. February 14, 2017. DOI: 10:3928/19382359-2017-0111-01.

<sup>&</sup>lt;sup>3</sup> Hawaii Youth Tobacco Survey, 2011 and 2015.

<sup>&</sup>lt;sup>4</sup> Marynak, K.L., Gammon, D.G., Rogers, T., et al. Sales of nicotine-containing electronic cigarette products: United States, 2015. *American Journal of Public Health*. 2017;e1-e4. Doi:10.2105/AJPH.2017.303660.

<sup>&</sup>lt;sup>5</sup> Department Of Health & Human Servs., Food & Drug Administration, 21 CFR Parts 1100, 1140, and 1143 [Docket No. FDA–2014–N–0189] RIN 0910–AG38, Deeming Tobacco Products To Be Subject to the Federal Food, Drug, and Cosmetic Act, as Amended by the Family Smoking Prevention and Tobacco Control Act; Restrictions on the Sale and Distribution of Tobacco Products and Required Warning Statements for Tobacco Products, Federal Register/Vol 81, no 90, 05/10/16/Rules and Regulations, p2905 http://www.fda.gov/TobaccoProducts/Labeling/RulesRegulationsGuidance/ucm388395.htm

SHAN TSUTSUI LT. GOVERNOR



MARIA E. ZIELINSKI DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE DEPUTY DIRECTOR

### STATE OF HAWAII DEPARTMENT OF TAXATION

P.O. BOX 259 HONOLULU, HAWAII 96809 PHONE NO: (808) 587-1540 FAX NO: (808) 587-1560

To: The Honorable Della Au Belatti, Chair

and Members of the House Committee on Health

The Honorable Roy M. Takumi, Chair

and Members of the House Committee on Consumer Protection & Commerce

Date: Wednesday, March 22, 2017

Time: 2:15 P.M.

Place: Conference Room 329, State Capitol

From: Maria E. Zielinski, Director

Department of Taxation

Re: S.B. 404, S.D. 2, Relating to Chapter 245, Hawaii Revised Statutes

The Department of Taxation (Department) offers the following comments on S.B. 404, S.D. 2, for your consideration.

S.B. 404, S.D. 2, proposes the following changes to the Cigarette and Tobacco Tax Law:

- Require sellers of electronic smoking devices and e-liquid to acquire wholesaler's licenses or retail permits similarly to sellers of tobacco products;
- Raise the annual license fee for tobacco wholesalers from \$2.50 per year to \$250 per year;
- Raise the annual retail licensing permit fee from \$20 per retail location to \$50 per retail location:
- Amend section 245-3, HRS, to impose a tax of 70% of the wholesale price of electronic smoking devices and e-liquid sold on or after January 1, 2018;
- Amend sections 245-6 and 245-8, HRS, to require filing of tobacco tax returns for sales of electronic smoking devices and e-liquid, and related recordkeeping;
- Amend section 245-9, HRS, to subject persons possessing electronic smoking devices and e-liquid to inspection by the Department of the Attorney General;
- Amend section 245-31, HRS, to require monthly reporting on distributions of electronic smoking devices and e-liquid;
- Amend section 245-32, HRS, to provide for refunds of tobacco tax paid on electronic smoking devices shipped out of state.

As currently drafted, S.B. 404, S.D. 2, has a defective effective date of July 1, 2050.

Department of Taxation Testimony HLT/CPC SB 404 SD2 March 22, 2017 Page 2 of 2

The Department notes that the Senate Committee on Consumer Protection and Health and the Senate Committee on Ways and Means adopted numerous technical amendments at the Department's suggestion. The Department appreciates the consideration of its testimony.

Finally, the Department notes that it is able to implement the measure with a January 1, 2018 effective date; however, the computer system programming will occur with Rollout 5 of the Tax System Modernization program scheduled to be completed in July 2019.

Thank you for the opportunity to provide comments.



#### DISABILITY AND COMMUNICATION ACCESS BOARD

919 Ala Moana Boulevard, Room 101 • Honolulu, Hawaii 96814 Ph. (808) 586-8121 (V/TDD) • Fax (808) 586-8129

#### March 22 2017

### TESTIMONY TO THE HOUSE COMMITTEES ON HEALTH, AND HUMAN SERVICES

Senate Bill 975, SD1 – Relating to Parking for Disabled Persons

The Disability and Communication Access Board (DCAB) supports Senate Bill 975, SD1 Relating to Parking for Disabled Persons. The purpose of this bill is to amend Chapter 291, Part III, Hawaii Revised Statutes (HRS), by adding express language to authorize law enforcement officers and commissioned volunteer enforcement officers to confiscate person with a disability parking permits that are inherently unlawful or unlawfully used. Specifically, the bill would authorize law enforcement to confiscate permits from individuals for the following reasons: (1) fraudulent manufacture or alteration of a permit for personal use, sale, or issuance; (2) use of a permit by someone other than the permittee; or (3) use of an invalid permit.

After consultation with the Attorney General's Office it is recommended that wording be more specific about the unlawful sale or purchase of a disability parking permit. As reviewed by the Attorney General's Office, we request that the bill be amended with following two changes:

- 1. Wording on page 2, lines 19 to 21 and page 3 lines 1 to 4 should be replaced with:

  "§291-A Unlawful sale or purchase. Any person who sells or purchases a
  fraudulently manufactured or altered placard under section 291-52.7, or removable
  windshield placard, a temporary removable windshield placard, or special license
  plate not authorized under sections 291-51.5, 291-51.6, and 291-52, shall be guilty
  of a misdemeanor."
- 2. Add a new section after Section 5 to read as follows:

  "This Act does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date."

Removing these permits from circulation will help to keep reserved accessible parking spaces available for valid permit holders and prevent abusers from taking advantage of the parking meter fee exemption afforded to valid permit holders pursuant to §291-55, HRS. Suggested language for these amendments is for your consideration.

Thank you for the opportunity to provide testimony.

Respectfully submitted,

BARBARA FISCHLOWITZ-LEONG

Chairperson

Legislative Committee

FRANCINE WAI Executive Director

anune Wai



March 21, 2017

To: The Honorable Representative Della Au Bellati, Chair
The Honorable Representative Roy M. Takumi, Chair
The Honorable Representative Bertrand Kobayashi, Vice Chair
The Honorable Representative Linda Ichiyama, Vice Chair
Members, House Committees on Health and Consumer Protection & Commerce

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

RE: SB404 SD2 – oppose.

Thank you for the opportunity to submit testimony.

VOLCANO Fine Electronic Cigarettes<sup>®</sup> is the largest manufacturer and retailer of vapor products and vaping accessories in the State of Hawaii. We currently own and operate 11 locations statewide and employ over 70 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 SB404 for the following:

- Although vapor products contain NO tobacco, often times contain NO nicotine, and ultimately emit NO smoke, SB404 aims to unfairly classify all vapor products as "Tobacco Products" and deceptively refers to the them as "Electronic Smoking Devices" to bring vapor products into the same regulatory framework as traditional tobacco cigarettes for the purposes of taxation. This will have very dire unintended economic and health consequences and threatens to decimate the vapor industry in Hawaii.
- SB404 States in its justification that the use Vapor Products, specifically "E-Liquid", carries similar health risks to that of tobacco. In truth, 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.

https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/457102/Ecig\_arettes\_an\_evidence\_update\_A\_report\_commissioned\_by\_Public\_Health\_England\_FINAL\_pdf

• In fact, Mitch Zeller, Director of the Center for Tobacco Products at the FDA recently stated:



"If a current smoker, otherwise unable or unwilling to quit, completely substituted all of the combusting cigarettes that they smoked with an electronic cigarette at the individual level, that person would probably be significantly reducing their risk." <a href="http://thedianerehmshow.org/shows/20140121/newhealthriskscigarettesmoking/transcript">http://thedianerehmshow.org/shows/20140121/newhealthriskscigarettesmoking/transcript</a>

• SB404 exempts traditional Nicotine Replacement Therapy (NRT) products that contain nicotine even though electronic cigarettes have been shown to be a much more effective tool for helping people quit smoking and have been demonstrated to have a similar risk profile as NRT's.

http://onlinelibrary.wiley.com/doi/10.1111/add.12623/abstract http://m.circ.ahajournals.org/content/130/Suppl 2/A14945.short

- SB404 also states in its justification that without taxing vapor products, "smokers may be tempted to purchase less expensive products such as e-liquid". This statement is categorically untrue because virtually all 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.
- The tax framework laid out by SB404 makes no sense and would be virtually unenforceable. The bill aims to tax all vapor devices including all of their components whether or not they are sold separately "including but not limited to atomizers, coils, drips tips, and tanks". This would be the equivalent of applying the tobacco tax to all lighters, rolling papers, pipes and any other smoking tool or accessory that does not even contain tobacco. Furthermore in the E-liquid section, the bill states that if the device is sold with e-liquid that does not contain nicotine, then it is exempt from the tax altogether which is completely contradictory to the aforementioned.
- Subjecting vapor products to this proposed tax would only encourage former smokers and current vapers to either buy from online vendors who would not be subject to the state tax or go back to tobacco. Local manufacturers, wholesalers and retailers would be put at massive competitive disadvantage and most retail customers would send their money out of state effectively lowering the tax revenue already being generated by sales of vapor products here in the state. We would be unable to compete in other out-of-state and international markets with competitors who are not subjected to the same



tax, which would put our local operations in severe jeopardy meaning an immediate loss of jobs and existing revenues. This bill would also effectively reduce access to a modified risk product that has been a public health win and would simply prop up and protect the proven deadly tobacco market.

It is our belief that this unjustified regulation and tax is in the best interest of no one in the state of Hawaii. Thank you for your time and consideration. If you have any questions, please feel free to contact me directly or you may contact one of VOLCANO's representatives: Blake Oshiro at Blake.Oshiro@808cch.com or Celeste Nip at nipfire@me.com.

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

### LEGISLATIVE TAX BILL SERVICE

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, License Fees, Electronic Smoking Devices

BILL NUMBER: SB 404, SD-2

INTRODUCED BY: Senate Committee on Ways and Means

EXECUTIVE SUMMARY: The measure: (1) adds and amends various definitions in chapter 245, Hawaii Revised Statutes, to ensure that dealers, retailers, and wholesalers of electronic smoking devices and e-liquid obtain the applicable license or permit; (2) increases the annual license fee for a wholesaler or dealer from \$2.50 to \$250.00; and (3) increases the annual retail tobacco permit fee from \$20 to \$50.

SYNOPSIS: Amends HRS section 245-1 to add definitions of electronic smoking device and e-liquid; amends definitions "dealer", "retailer", "sale" or "sold", "wholesale price", and "wholesaler" to include electronic smoking devices or e-liquid.

Amends HRS section 245-2 to increase the annual fee for a tobacco wholesaler license from \$2.50 to \$250.00.

Amends HRS section 245-2.5 to increase the annual fee for a retail tobacco permit from \$20 to \$50. Makes other conforming amendments to include sales of electronic smoking devices or eliquid, including an amendment to subsection (o) to clarify that electronic smoking devices or eliquid unlawfully possessed may be seized and ordered forfeited.

Requires that the fees for the tobacco wholesaler license and retail tobacco permit be used to cover administrative expenses, merchant education, legal signage, and the enforcement of tobacco sales laws.

Amends HRS section 245-3 to impose an excise tax of 70% of the wholesale price of each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer on and after January 1, 2018, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer.

Makes conforming amendments to other sections of the Tobacco Tax Law.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: The proposed measure would amend the definition of "cigarette" to include "electronic smoking devices" thereby making them subject to the tobacco tax. Traditional cigarettes have been proven to be a health hazard, but electronic smoking devices have only appeared on the market in 2004. Even though such devices contain nicotine, they do not produce other hazardous substances associated with a traditional cigarette.

Re: SB 404, SD-2

Page 2

Given that there is no tobacco being consumed with these electronic smoking devices, it is questionable why these products should be placed under the tobacco tax. They may be substitutes for a tobacco product, but so are other products like nicotine gum. How should these latter products be taxed, if at all? As noted many times before, if the health department believes that products such as cigarettes, chewing tobacco, and other forms of tobacco consumption are bad for the community's health, then those products should be banned altogether. Apparently, lawmakers do not want to give up the revenues they reap from the heavy taxes imposed on these products.

Digested 3/20/2017



#### WRITTEN TESTIMONY

March 21, 2017

To: The Honorable Della Au Belatti, Chair

The Honorable Bertrand Kobayashi, Vice Chair Members of the House Committee on Health

The Honorable Roy M. Takumi, Chair The Honorable Linda Ichiyama, Vice Chair

Members of the Committee on Consumer Protection and Commerce

Hrg: March 22, 2017 at 2:15pm at Capitol Room 329

**RE:** Testimony in SUPPORT of SB404, SD2

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

HPHA strongly **supports SB404**, **SD2** which creates a tax on electronic smoking devices (ESDs) and requires wholesalers and retailers of ESDs to obtain a retail tobacco permit.

ESD or e-cigarette use 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 Hawai'i have decreased through the years, ESD use has rapidly increased, threatening the state's current tobacco prevention efforts.

This is particularly concerning because e-cigarettes provide a new way to deliver the 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 cigarette use, especially among kids.

This bill will also require a retail tobacco permit which will allow the state to know who is selling ecigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

HPHA strongly **supports SB404**, **SD2** and asks you to pass this out of committee.

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

Respectfully submitted,

Holly Kessler, Executive Director Hawai'i Public Health Association





Date: March 21, 2017

To: The Honorable Della Au Belatti, Chair

The Honorable Bertrand Kobayashi, Vice Chair Members of the House Committee on Health

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair

Members of the House Committee on Consumer Protection and Commerce

From: Trish La Chica, Policy and Advocacy Director, Hawai'i Public Health Institute

Re: STRONG SUPPORT for SB404, SD2 Relating to Chapter 245, Hawaii Revised Statutes

Hrg: March 22, 2017 at 2:15pm at Conference Room 329

Thank you for the opportunity to submit testimony in <u>STRONG SUPPORT</u> of SB404, SD2 which imposes a tax on electronic smoking devices and e-liquid and requires retailers to obtain a retail tobacco permit.

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 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.** ESDs, or e-cigarettes, are battery-powered devices that heat liquid usually containing nicotine and other flavors and additives into an aerosol that the user inhales. This nicotine 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 adults.

The Coalition strongly supports the regulation of electronic smoking devices (ESDs) for the protection of public health and makes the following recommendations:

- 1. To place a tax on ESDs and all its components and parts, including eliquid at the same rate as the state tax on other tobacco products, which is 70% of the wholesale price.
- 2. To require that ESD retailers and wholesalers obtain a retail tobacco permit to help with the enforcement and communication of state tax and selling laws.
- 3. To increase the annual license fee from \$2.50 to \$250 and permit fee from \$20 to \$50.
- 4. To consider allocating a portion of the revenue towards tobacco prevention and control.

**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 Hawaii and across the nation, ESDs are now the most commonly used tobacco product among youth and young adults. In a poll conducted by Ward Research Inc. for the Coalition in November 2016, 75% of registered Hawai'i voters were in support of taxing e-cigarettes at the same rate as cigarettes or other tobacco products. The Coalition recommends that ESDs be taxed

at the same rate as other tobacco products, (70% of the wholesale price). The Coalition further recommends that the tax be applied to ESDs, eliquid, including components and parts as these are all tobacco products as defined by the FDA. 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.

**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. SB404 would also help in the distribution of proper signage that help to educate Hawai'i residents and visitors on current laws. This communication will also help other agencies to educate merchants on new federal regulations on e-cigarettes.

The Coalition further recommends that a portion of the revenue collected from ESD and e-liquid taxes be dedicated to tobacco prevention and control. The same statewide poll found that 91% if registered Hawaii voters overwhelmingly agree that it is important for the State to earmark some of the revenue from cigarette and tobacco taxes to fund tobacco prevention and cessation programs. 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 SB440, SD2 and respectfully ask you to pass this measure out of committee.

Mahalo,

Trish La Chica

Policy and Advocacy Director

Testimony of Neil Ishida Director of Public Relations ABC Stores March 21, 2017

ABC Stores opposes SB 404 SD 2 that imposes an excise tax on electronic smoking devices; requires retailers to obtain a retail tobacco permit, and increases the license and permit fee for wholesalers or dealers of cigarettes, tobacco products, electronic smoking devices, and e-liquid. Increases the retail tobacco permit fee for retailers of cigarettes, tobacco products, electronic smoking devices, and e-liquid.

By increasing the taxation and fees of these products, businesses such as ABC Stores will stand to be hurt as we would have to increase our upfront cost of stocking electronic smoking devices and cigarettes. Retailers are already operating on thin margins and have to compete with online sales. Also, many of the business that sell electronic cigarettes and e-liquid are small to medium volume locally owned shops that will be hit hard by the permit fee and tax increases. This higher cost of doing business will force many businesses to close, leaving people out of work.

Mahalo for this opportunity to testify.





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#### American Heart Association Testimony Supports SB 404, SD2 "Relating To Chapter 245, Hawaii Revised Statutes"

The American Heart Association (AHA) supports SB 404, SD2, but strongly recommends that a portion of the tax on electronic smoking devices (ESDs) be allocated for community education, prevention and control efforts related to use of those products.

The AHA considers ESDs to be tobacco products and supports their regulation under existing state and federal laws that apply to the use and marketing of such products. The association especially has grave concerns about the tobacco industry's efforts to attract children and adolescents to ESDs and strongly advocates for laws and regulations that prohibit their sale and marketing to youth. We believe it is important to closely monitor ESDs and prevent them from serving as a gateway to smoking for non-smokers, or as a vehicle to lure smokers who have quit back to tobacco.

Youth use of ESDs in Hawaii has quadrupled over the last four years, largely due to unregulated marketing by ESD companies and retailers which make veiled claims that their products carry no health risks, and the addition of fruit and candy flavorings that appeal to youths. Enforcement of illegal sales to minors of these products is also made difficult by the lack of permitting or licensing on ESD wholesalers and retailers. ESD remain the only tobacco product sold in Hawaii that is taxed at only the GET rate, making them more affordable and attractive to Hawaii youths.

A study published by the University of Hawaii Cancer Center found that youths who use ESDs are much more likely to eventually graduate to smoking conventional cigarettes than those who don't. Another study, conducted at the University of California, San Francisco, showed that nicotine use in adolescents can hinder brain development, which can lead to increased risk-taking, impulsiveness, novelty seeking, vulnerability to using and subsequent addiction to drugs.

The ESD industry is relentless in its pursuit of new users at an early age, and the recent U.S. Surgeon General's report underscores how successful it has been in attracting this demographic. Like the tobacco giants that preceded them, ESD companies, many of which are by owned by Big Tobacco, are deploying despicable tactics of celebrity endorsements, cartoons and suggestive themes in ads to pitch their products. ESDs are further cloaked in new technology and flavors that appeal to today's young people. We simply cannot let these marketing tactics renormalize tobacco use in our society today. The AHA feels it important for Hawaii legislators to regulate ESDs to prevent a reversal in the successes the state has achieved in reducing tobacco use among its youths. We urge your support of SB 404, SD1 with an allocation of the ESD tax revenue dedicated to community tobacco education, prevention and control efforts to help counter the extensive tobacco industry marketing efforts to hook a new generation of youths.

Respectfully submitted,

Paul Ho. M.D., cardiologist American Heart Association volunteer

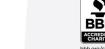
















March 21, 2017

To: Representative Della Au Belatti, Chair

Representative Bertrand Kobayashi, Vice Chair

Committee on Health

Representative Roy M. Takumi, Chair Representative Linda Ichiyama, Vice Chair Committee on Consumer Protection & Commerce

From: Deborah Zysman, Executive Director

Hawaii Children's Action Network

Re: SB 404 SD 2 – Relating to Chapter 245, Hawaii Revised Statutes.

Hawaii State Capitol, Room 329, March 22, 2017, 2:15 PM

On behalf of Hawaii Children's Action Network (HCAN), we are writing to support the SB 404 SD 2 – Relating to Chapter 245, Hawaii Revised Statues.

This bill would create a tax on electronic smoking devices (ESDs) and requires wholesalers and retailers of ESDs to obtain a retail tobacco permit. Now that the FDA has deemed ESDs as tobacco products, the Hawaii legislature needs to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product in Hawaii without a tobacco tax and increasing prices is a proven strategy to discourage use of these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and cessation programs.

ESD or e-cigarette use 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 the state's current tobacco prevention efforts. This is particularly concerning because e-cigarettes provide a new way to deliver the 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.

The e-cigarette industry uses the same tobacco marketing tactics to appeal to youth such as glamorizing its use and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

This bill also requires a retail tobacco permit which will allow the state to know who is selling e-cigarettes in Hawaii, work with the merchants to educate them, and enforce current tobacco laws.

HCAN is committed to building a unified voice advocating for Hawaii's children by improving their safety, health, and education. Last fall, HCAN convened input in person and online from more than 50 organizations and individuals that came forward to support or express interest for a number of issues affecting children and families in our state that resulted in the compilation of 2017 Hawai'i Children's Policy Agenda, which can be accessed at <a href="http://www.hawaii-can.org/2017policyagenda">http://www.hawaii-can.org/2017policyagenda</a>.

For these reasons, HCAN respectfully requests that the committee vote to pass this bill.

March 21, 2017



To: The Honorable Representative Della Au Bellati, Chair
The Honorable Representative Roy M. Takumi, Chair
The Honorable Representative Bertrand Kobayashi, Vice Chair
The Honorable Representative Linda Ichiyama, Vice Chair
Members, House Committees on Health and Consumer Protection & Commerce

From: Michelle Noelani Johnston

RE: SB404 SD2 – oppose.

Thank you for the opportunity to submit testimony.

Sub Ohm Vapes LLC is a small family owned vape store on the island of Hawaii in Kailua Kona. Myself and my sister (Stan-Lee Lokelani E. Nii) are the owners and the employees of this vape business. Our families are supported by this business. I invested my life savings in the vape business to encourage and assist in the quitting of cigarettes. We have both been cigarette smokers for many years. In January of 2014 my sister had a heart attack and that was the turning point for us. Having success with quitting smoking cigarettes through vaping we decided on the start of a vape store to help others have the same success as we did. We stand in opposition to SB404 for the following:

Although vapor products contain NO tobacco, often times contain NO nicotine, and ultimately emit NO smoke, SB404 aims to unfairly classify all vapor products as "Tobacco Products" and deceptively refers to the them as "Electronic Smoking Devices" to bring vapor products into the same regulatory framework as traditional tobacco cigarettes for the purposes of taxation. This will have very dire unintended economic and health consequences and threatens to decimate the vapor industry in Hawaii.

SB404 States in its justification that the use Vapor Products, specifically "E-Liquid", carries similar health risks to that of tobacco. In truth, 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.** https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/457102/Ecig a rettes\_an\_evidence\_update\_A\_report\_commissioned\_by\_Public\_Health\_England\_FINAL .pdf

In fact, Mitch Zeller, Director of the Center for Tobacco Products at the FDA recently stated:

"If a current smoker, otherwise unable or unwilling to quit, completely substituted all of the combusting cigarettes that they smoked with an electronic cigarette at the individual level, that person would probably be significantly reducing their

risk." http://thedianerehmshow.org/shows/20140121/newhealthriskscigarettesmoking/transcri pt

• • SB404 exempts traditional Nicotine Replacement Therapy (NRT) products that contain nicotine even though electronic cigarettes have been shown to be a much more effective

tool for helping people quit smoking and have been demonstrated to have a similar risk profile as NRT's.

http://onlinelibrary.wiley.com/doi/10.1111/add.12623/abstract http://m.circ.ahajournals.org/content/130/Suppl\_2/A14945.short

- • SB404 also states in its justification that without taxing vapor products, "smokers may be tempted to purchase less expensive products such as e-liquid". This statement is categorically untrue because virtually all 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.
- • The tax framework laid out by SB404 makes no sense and would be virtually unenforceable. The bill aims to tax all vapor devices including all of their components whether or not they are sold separately "including but not limited to atomizers, coils, drips tips, and tanks". This would be the equivalent of applying the tobacco tax to all lighters, rolling papers, pipes and any other smoking tool or accessory that does not even contain tobacco. Furthermore in the E-liquid section, the bill states that if the device is sold with e-liquid that does not contain nicotine, then it is exempt from the tax altogether which is completely contradictory to the aforementioned.
- • Subjecting vapor products to this proposed tax would only encourage former smokers and current vapers to either buy from online vendors who would not be subject to the state tax or go back to tobacco. Local manufacturers, wholesalers and retailers would be put at massive competitive disadvantage and most retail customers would send their money out of state effectively lowering the tax revenue already being generated by sales of vapor products here in the state. We would be unable to compete in other out-of-state and international markets with competitors who are not subjected to the same tax, which would put our local operations in severe jeopardy meaning an immediate loss of jobs and existing revenues. This bill would also effectively reduce access to a modified risk product that has been a public health win and would simply prop up and protect the proven deadly tobacco market.

### Michelle N. Johnston

Owner of Sub Ohm Vapes, LLC

Sub Ohm Vapes, LLC 74-5543 Kaiwi St. Ste. A135 Kailua-Kona, HI 96740 Subohmvapes.llc@gmail.com 808-238-5192







99-082 Kauhale St, Suite #B1 Aiea, Hawaii 96701 (808) 486-0402 Devin@pcgamerzhawaii.com

To: Committee on HLT/CPC

Re: Opposition to SB404 SD2

Hearing: Wednesday, March 22<sup>nd</sup> 2017, 2:15pm

Thank you for allowing me to speak my name is Devin Wolery from PC Gamerz & SFATA Hawaii.

- Adding a "SIN" tax to electronic cigarettes will be damaging to the local industry
  - o By doing this, many shops would close.
  - The current local customers would switch to purchasing online, which would get the state no income.
    - We as a state always push to support local. This would burden everyone.
  - 75-100+ vape shops are mom and pop businesses. They are not tied to big tobacco.
    - Big tobacco uses current distribution networks. Such as gas stations and convenience stores.
    - Vape shops do not. They put their livelihood on the line, by opening up their own stores.
- Electronic Smoking devices, IE Vape products are not Tobacco
  - People that vape, are anti tobacco. We want to get away from the smokers.
    - Devices and atomizers, coils, drip tips, tanks and any other accessory that is sold ala carte, does not contain nicotine.
      - If that is true for vape products, would that not also make it so that all rolling papers, lighters, glass "tobacco" pipes and other accessories would also be tobacco products?
- E-cigarettes are already more expensive than cigarettes.
  - Many users do not use cigalikes which are \$20-50 for a starter pack. Currently.
  - o Majority of vape shop customers use ala carte devices that cost upwards of
    - \$150-300 per combined kit.
    - Basic starter regulated mods go for \$40-60+GET
    - Normal Regulated mods go for \$60-90+GET
    - Advanced mods go for \$100-200+GET
  - Eliquid costs are already high at
    - **\$20+GET** for a 30ml
    - **\$30+GET** for a 60ml.
    - **\$65**+**GET** for a 120ml
      - Because they are buying more quantity upfront that saves them in the long run they should be punished?







99-082 Kauhale St, Suite #B1
Aiea, Hawaii 96701
(808) 486-0402
Devin@pcgamerzhawaii.com

- If this definition passes in ANY of the bills through the session.
  - It WILL guarantee a black market on the island. Putting many tax paying shops out of business.
  - Their is already a black market on craigslist and Facebook Groups.
  - Those outlets for the products are completely unregulated and do not hold themselves to the standards we want in place for the vape industry.
  - More people will get sick or hurt from this over reach.
  - Please defer this bill and consider discussion with SFATA Hawaii.

If you are looking to drive revenue, this will NOT do that. <u>In Pennsylvania a 40% tax was added last year. And forced the closure of 95% of all vape shops.</u> You will also put 100 shops out of business. And all local producers and manufacturers. Volcano alone has 100+ employees, you will lose all that revenue as well.

The wording on this bill makes it so any accessory is taxed as well. When it comes to cigarettes or alcohol. You are not taxing those accessories. So why would vaping get shafted?

You should start taxing, red solo cups. As they are designed for alcohol consumption. Each line is for a specific type of alcohol. Like liquor, wine or beer.

For cigarettes, should you also tax rollers, rolling paper, lighters, bongs, pipes etc? No you are not. So you shouldn't be taxing vaping accessories either.

Thank you for allowing me to speak, I am available for questions

Devin Wolery PC Gamerz Hawaii SFATA Hawaii Chapter





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 7:01 PM

To: HLTtestimony

Cc: mz9995@hotmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

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

Comments: When the CDC finds the following, why on earth does the anti-smoking lobby still push bills like SB404? The biggest findings of the study are centered on people who are actually ecigarette users. The study reported that 47.6% of current smokers had tried vaping and that 55.4% of smokers who had quit had utilized e- cigs in order to do so. In the end, this groundbreaking CDC study shows very clearly that people who smoke are indeed using e-cigs and vaping devices to quit smoking tobacco cigarettes. This study points out that electronic cigarettes are proving to be an effective tool in helping smokers reduce their tobacco cigarette use or maybe even quit them completely. - See more at: http://www.volcanoecigs.com/blog/state-ecig-laws-news/cdc-study-results-back-vaping-industry.html#sthash.OUYOLwzJ.dpuf We at Hawaii Smokers Alliance support all individuals choices that like to smoke or vape, therefore we strongly oppose SB404. Hawaiismokersalliance.net

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



March 22, 2017 at 2:15pm Conference Room 329

## House Committee on Health House Committee on Consumer Protection & Commerce

To: Representative Della Au Belatti, Chair (HLT)

Representative Bertrand Kobayashi, Vice Chair (HLT)

Representative Roy M. Takumi, Chair (CPC) Representative Linda Ichiyama, Vice Chair (CPC)

From: Michael Robinson

Vice President – Government Relations & Community Affairs

Re: SB 404, SD2 – Testimony in Support

My name is Michael Robinson, Vice President, Government Relations and Community Affairs at Hawai'i Pacific Health (HPH). 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 am writing in support of SB 404, SD2 which imposes an excise tax on multiple types of electronic smoking devices, requires retailers engaged in the retail sale of tobacco and electronic smoking device-related products to obtain a retail permit, and increases the license fee for wholesalers and dealers of these products. Tobacco use is the single most preventable cause of disease, disability, and death in the United States.

The Center for Disease Control identified combusted tobacco products as potentially harmful, and indicated that further research is needed to better determine how ecigarettes compare to traditional cigarettes in their health-damaging effects. An excise tax will help to regulate tobacco use in Hawai'i, and would serve to slow down the rate at which individuals consume this product.

At Hawai'i Pacific Health, we recognize that promoting healthy behavior – both with our patients and amongst our employees - is critical in promoting health and well being. The plan outlined in SB 404, SD2 is in line with our vision of creating a healthier Hawai'i.

Thank you for the opportunity to testify.

Written Testimony Presented Before the House Committees on Health and Consumer Protection & Commerce Wednesday, March 22, 2017at 2:15 p.m.

By

Randall F. Holcombe, MD, MBA Director, University of Hawai'i Cancer Center University of Hawai'i at Mānoa

SB 404 SD2 - RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

Chairs Belatti and Takumi, Vice Chairs Kobayashi and Ichiyama, and Members of the Committees:

The UH Cancer Center is one of only 69 institutions in the U.S. that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides greater access to federal funding and research opportunities. More importantly, it gives the people of Hawai'i and the Pacific region access to innovative and potentially life-saving clinical trials without the necessity of traveling to the mainland.

Our passion at the UH Cancer Center is to be a world leader in eliminating cancer through research, education and improved patient care. Because tobacco consumption is a leading preventable cause of cancer, we take all issues related to tobacco in Hawai'i very seriously. Whereas the UH Cancer Center always has supported strong tobacco control measures in Hawai'i, the recent emergence of electronic smoking devices presents new challenges for tobacco control and tobacco-related legislation.

The UH Cancer Center perspective on electronic smoking devices is based upon data recently obtained from Hawai'i adolescents and young adults who are participants in **original research conducted by our own faculty**. Research conducted in Hawai'i high schools by Thomas Wills, PhD, has confirmed that rates of e-cigarette use by Hawai'i adolescents are at least double the rate of e-cigarette use observed in studies of mainland adolescents. Furthermore, his study published in the peer-reviewed journal *Pediatrics* clarified a reason why e-cigarette use is growing nationally among teens, as his data suggest that e-cigarettes may be operating to recruit lower-risk adolescents to smoking. And recently Pallav Pokhrel, PhD, and Thaddeus Herzog, PhD, published on the topic of e-cigarettes and motivation to quit smoking. Drs. Pokhrel and Herzog also assessed differences between smokers who used e-cigarettes to quit versus those who used FDA-approved nicotine replacement therapy. Additionally, these researchers have published on the effects of e-cigarette marketing on harm perceptions, as well as e-cigarette use expectancies and their impact on e-cigarette use among young adults.

This research is vital to gaining an evidence-based understanding of what drives acceptance of this emerging technology, what users believe regarding its safety, and what the consequences are for adolescents, whose brains are particularly susceptible to nicotine.

We believe that e-cigarette use is detrimental to a person's health and that this risk is particularly significant for adolescents and young adults. We encourage the legislature to continue to support research related to electronic smoking behaviors and studies examining long-term health effects. Research from the University of Hawai'i Cancer Center faculty suggests that reducing the use of electronic smoking devices will improve the health of the people of Hawai'i.

Thank you for the opportunity to provide testimony on this bill.

March 22, 2017

To: The Honorable Representative Della Au Bellati, Chair

The Honorable Representative Roy M. Takumi, Chair

The Honorable Representative Bertrand Kobayashi, Vice Chair

The Honorable Representative Linda Ichiyama, Vice Chair

Members, House Committees on Health and Consumer Protection & Commerce

From: Tolone Thairathom on behalf of Dajuice Hawaii LLC

RE: SB404 SD2 – Oppose.

Thank you for the opportunity to submit testimony. Dajuice Hawaii LLC is one of many Vape Shops in Hawaii. As a small business in Hawaii, we strongly stand in opposition to SB404 for the following reasons:

Vapor products contain <u>no</u> tobacco and in many cases, contain <u>no</u> nicotine and ultimately emit <u>no</u> smoke. *SB404 aims to unfairly classify all vapor products as "Tobacco Products" and deceptively refers to the them as "Electronic Smoking Devices*" to bring vapor products into the same regulatory framework as traditional tobacco cigarettes for the purposes of taxation. If SB404 is passed, it would adversely affect small business owners, likewise, the vapor industry in Hawaii.

SB404 States in its justification that the use of Vapor Products, specifically "E-Liquid", carries similar health risks to that of tobacco. 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.

<a href="https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/457102/Ecig">https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/457102/Ecig</a>

arettes\_an\_evidence\_update\_A\_report\_commissioned\_by\_Public\_Health\_England\_FINAL .pdf

Mitch Zeller, Director of the Center for Tobacco Products at the FDA recently stated:

"If a current smoker, otherwise unable or unwilling to quit, completely substituted all of the combusting cigarettes that they smoked with an electronic cigarette at the individual level, that person would probably be significantly reducing their risk."

http://thedianerehmshow.org/shows/20140121/newhealthriskscigarettesmoking/transcri pt

SB404 exempts traditional Nicotine Replacement Therapy (NRT) products that contain nicotine even though electronic cigarettes have been shown to be a much more effective tool for helping people quit smoking and have been demonstrated to have a similar risk profile as NRT's.

http://onlinelibrary.wiley.com/doi/10.1111/add.12623/abstract http://m.circ.ahajournals.org/content/130/Suppl\_2/A14945.short

SB404 also states in its justification that without taxing vapor products, "smokers may be tempted to purchase less expensive products such as e-liquid". This statement is categorically untrue since most 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 \$50 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 \$11.95 at many stores, which is nearly 35% more costly than a standard pack of cigarettes, yet it provides nearly the same amount of puffs.

Subjecting vapor products to this proposed tax would only encourage former smokers and current vapers to either buy from online vendors who would not be subject to the state tax or return to the use of tobacco. Local manufacturers, wholesalers and retailers would be put at an enormous competitive disadvantage and most retail customers would send their money out of state effectively lowering the tax revenue already being generated by sales of vapor products here in the state. We would be unable to compete in other out-of-state and international markets with competitors who are not subjected to the same tax, which would put our local operation in severe jeopardy and **eventual demise**. This bill would also effectively reduce access to a modified risk product that has been a public health win and would simply prop up and protect the proven deadly tobacco market

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:22 PM

To: HLTtestimony

Cc: Garrickaylesworth@live.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

#### **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Garrick Aylesworth	Individual	Oppose	No	

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:26 PM

To: HLTtestimony

Cc: jinnakim85@hotmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

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

Comments: I believe that over exaggerating taxes on E- cigarettes is not going to solve any issues but prevent people from having a healthier option. I don't understand how you are willing to sell cigarette and have it so easy for people to use but your making E-cigarette seem like something so illegal and dangerous. Please read the ingredients in the liquid or do some more research on vaping before you have a ridiculous tax or judge people who vape as some kind of criminal. Thank you

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:12 PM

To: HLTtestimony

Cc: pk.hitest@spamgourmet.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
P Kuromoto	Individual	Oppose	No

Comments: Imposing additional taxes and licensing on vapor related products remains a terrible idea that is counterproductive to public health. Vaping is not smoking. Vapor products are not tobacco products and contain no tobacco. Vapor products are scientifically known to be upwards of 95% less harmful than smoking tobacco. Even since the last revision of this terrible bill, several studies have confirmed VERY low risk from vapor products and have disproved the idea that vapor product use leads to smoking. Please note that requiring registration as tobacco retailers creates many new tobacco retailers where they do not now exist. These retailers cannot currently sell real tobacco products, but now will be able to -- and may be forced to in order to deal with the additional costs of these nonsensical regulations. Why would the state want to create more tobacco outlets? This smacks of zealotry and influence by special interests. The campaign contributions by pharmaceutical companies to the parties promoting this legislation is not unnoticed.

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:45 PM

To: HLTtestimony

Cc: rafaelmontero@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

#### **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Rafael Montero	Individual	Oppose	No

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:20 PM

To: HLTtestimony

Cc: aguinaldo.shaun@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
shaun	Individual	Oppose	No	

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:25 PM

To: HLTtestimony

Cc: Teddykim613@yahoo.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Teddy Kim	Individual	Oppose	No	ì

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:07 PM

To: HLTtestimony Cc: tjdavies@juno.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

Categories: Red Category

### **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
T.J. Davies	Individual	Support	No

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:26 PM

To: HLTtestimony Cc: vinkim@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Vin Kim	Individual	Oppose	No

Comments: E-Cigarettes allows Tobacco Smokers to reduce harm and help them quit smoking altogether. Taxing this will not make it any easier for them to quit. E-Cigarettes have already been studied by the UK government and they have stated that it is 95% safer than smoking tobacco. (https://www.gov.uk/government/news/e-cigarettes-around-95-less-harmful-than-tobacco-estimates-landmark-review)

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 2:34 PM

To: HLTtestimony

Cc: vtt.grimm@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

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

Comments: If this passes hundreds if not thousands of hard working locals will be out of jobs. The goal of Hawaii Government should be preserving and creating more jobs not destroy and industry helping millions quit tobacco cigarettes and killing jobs.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 5:52 AM

To: HLTtestimony

Cc: freedom1979hi@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Cindy Nettles	Individual	Oppose	Yes	

Comments: Stop being so nasty to vaping people!

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:40 AM

To: HLTtestimony

Cc: markjowens@hotmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Mark Owens	Individual	Oppose	No	ì

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:46 AM

To: HLTtestimony

Cc: surfmaster008@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Sean Higa	Individual	Oppose	No	

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 8:41 PM

To: HLTtestimony

Cc: bigcoopatroopa@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Chris Cooper	Individual	Oppose	No	

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Monday, March 20, 2017 8:24 PM

To: HLTtestimony

Cc: mauimoonflower@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/20/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Sabrina Spencer	Individual	Oppose	No

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:50 AM

To: HLTtestimony

Cc: ASHLEYLEIKO24@GMAIL.COM

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
ASHLEY MATTOS	Individual	Comments Only	No

Comments: I STRONGLY OPPOSE TO SB404!! HOW CAN U CONSIDER SOMETHING A TOBACCO PRODUCT WHEN THERE IS NO TOBACCO INSIDE? WHY SHOULD WE HAVE UP TO 70% ON TAXES ON THESE PRODUCTS WHEN WE BUY THEM WITH NO TOBACCO. AN E-CIG IS AN ELECTRONIC DEVICE NOT A TOBACCO PRODUCT!! SOME E-LIQUIDS HAVE NO NICOTINE INSIDE WHICH MEANS THERE IS NO TOBACCO IN IT. IF YOU GO OUT AND BUY A BATTERY FOR YOUR DEVICE AND YOU GET CHARGED UP TO 70% ON TAXES, WHY? FOR WHAT? ITS NOT TOBACCO!

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:43 AM

To: HLTtestimony

Cc: deankroh@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Dean Kroh	Individual	Oppose	No

Comments: Vaping is a safer alternative to tobacco and not in the same category. It has helped many to guit cigarettes. please do not put it in the same category. Mahalo

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:26 AM

To: HLTtestimony

Cc: iriehawaiikona@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Heaukulani	Individual	Oppose	No

Comments: I strongly oppose SB404. As a former smoker, I quit smoking cigarettes because I was able to afford e cigarettes. E cigarettes helped me quit smoking cigarettes completely. Imposing a high tax rate on e cigarettes would make it nearly impossible to have an alternative to quitting smoking cigarettes I strongly oppose SB404 and hope its authors will get more education on ecigs and the tremendous benefits they offer. I urge all elected officials voting on this bill to go out and visit a vapor shop that specializes in ecigs and related products. Talk to the shop owners and customers that are using ecigs. Ask them how their lives have improved. Please do not condemn ecig users to a death sentence based on fear and misinformation floating around online. Legislators please get properly educated on this issue. I lost my father to lung cancer in 2012. If Ecigs were around 1 decade before his death I know he would be still here today. How do I know this? I have users of ecigs telling me their stories every day how their lives changed by using ecigs. Please get properly educated on this issue before voting on imposing a tax. Thank you.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:25 AM

To: HLTtestimony Cc: konaking@live.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Jeff Stevens	Individual	Oppose	Yes

Comments: This bill is a slap in the face to vapers' rights.

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:16 AM

To: HLTtestimony
Cc: rrphawaii@aol.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Mariner Revell	Individual	Oppose	No

Comments: I strongly oppose SB404. Please explain why the authors of this bill want to tax ecig hardware devices at a rate of 70% and treat them as tobacco products. Are wine glasses considered alcohol and imposed a liquor tax? Are fuel cans treated as fuel and imposed a fuel tax? Are purses and wallets imposed an income tax because they hold a workers pay? Please explain the reasoning behind this. I urge all elected officials to view the documentary called "A Billion Lives" before voting on this issue. I strongly oppose SB404 and hope its authors will get more education on ecigs and the tremendous benefits they offer. I urge all elected officials voting on this bill to go out and visit a vapor shop that specializes in ecigs and related products. Talk to the shop owners and customers that are using ecigs. Ask them how their lives have improved. Please do not condemn ecig users to a death sentence based on fear and misinformation floating around online. Legislators please get properly educated on this issue. I lost my father to lung cancer in 2012. If Ecigs were around 1 decade before his death I know he would be still here today. How do I know this? I have users of ecigs telling me their stories every day how their lives changed by using ecigs. Please get properly educated on this issue before voting on imposing a tax. Thank you.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 8:22 AM

To: HLTtestimony

Cc: 1hawaii4me@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Mark Dietrich	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:16 AM

To: HLTtestimony

Cc: susanlarson78@gmx.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Susan Larson	Individual	Oppose	No	

#### Comments:

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 3:13 PM

To: HLTtestimony

Cc: mendezj@hawaii.edu

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

Categories: Green Category

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Javier Mendez-Alvarez	Individual	Support	No

#### Comments:

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

From: Kim Robello <krobello@minitstop.com>
Sent: Tuesday, March 21, 2017 3:05 PM

To: HLTtestimony

Subject: FW: Testimony in opposition to SB-404 for Hearing on 3/22 CPC/HTI

#### Sent to the wrong e-mail. Mahalo!

From: Kim Robello

Sent: Tuesday, March 21, 2017 2:58 PM To: CPCtestimony@capitol.hawaii.gov Cc: Ttestimony@capitol.hawaii.gov

Subject: Testimony in opposition to SB-404 for Hearing on 3/22 CPC/HTI

Dear Committee Chairs,

I'm writing in strong opposition to SB-404. The proposed changes this bill will impose on the Vape industry seems proportionately unfair to an industry trying to provide an alternative to folks who continue to smoke. I do understand that a certain segment of the public has reservations regarding this industry and I respect their point of view. By contrast there is another segment who feels vaping is a viable alternative to smoking and does provide a safer alternation to your typical cigarette.

Taxing product to make it unattractive to younger folks has it's advantages but hurting the folks who sincerely believe vaping is helping them cut down or quit smoking regular cigarettes seem blatantly unfair to them at a time when they are trying help themselves.

My son was an avid smoker and I sincerely believe he would continue to be if he did not vape. I do notice he vapes way less then he smoked which is a good thing. I am a retailer as such I have an interest in selling vape but I also have an interest in fair taxation for all no matter what you partake in. I think there is a middle ground with regards to the taxation of vape but I know it's not 70% of the cost. I sincerely request that your committee table this bill until we can find a fair way of taxing this product. Mahalo!

Sent from Mail for Windows 10

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 2:08 PM

To: HLTtestimony

Cc: mikenakas@hotmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

Categories: Green Category

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Michael S. Nakasone	Individual	Oppose	No	

#### Comments:

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

I am submitting personal testimony on SB404, SD2 based on my research with adolescents in Hawaii, which was supported by grants from the National Institutes of Health. I am the interim director for the Cancer Prevention and Control Program in the University of Hawaii Cancer Center. The comments presented here are my personal testimony and do not necessarily reflect the views of the National Institutes of Health or the University of Hawaii Cancer Center.

SB404\_SD2 would establish an excise tax on electronic smoking devices (e-cigarettes).

**I support this legislation** because our research indicates that use of e-cigarettes is quite prevalent among adolescents in Hawaii. Our publication in the journal Pediatrics reported that 29% of 9 th and 10th grade students in six Hawaii high schools in 2013 used e-cigarettes at least once and 18% use them regularly. Our analysis of the more recent 2015 Hawaii Youth Risk Behavior Survey found that 45% of high school students had used e-cigarettes and 25% were regular users. Also, 23% of the sample used both e-cigarettes and cigarettes.

Furthermore, our recent publications in the journal Tobacco Control have shown that using e-cigarettes makes adolescents more likely to start smoking 1 year later. That is, **e-cigarette use increases smoking initiation among adolescents**. And our current analyses are showing that e-cigarette use is associated with higher rates of asthma among Hawaii adolescents. These findings have public health implications because any factor that increases adolescent smoking will have negative effects on public health. Our research in Hawaii has shown e-cigarette use has risks, and our results have been confirmed by studies in different parts of the mainland and Asia.

Our findings indicate that more action is necessary to reduce the rate of cigarette smoking and e-cigarette use among adolescents. Taxation has previously been shown effective for reducing rates of adolescent cigarette smoking. Thus there is a justification for regulating e-cigarette use and for implementing a tax on e-cigarettes in order to protect the health of the people of Hawaii.

**I support SB404\_SD2** for these reasons.

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 4:04 PM

To: HLTtestimony

Cc: jason.park1@aol.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Jason Park	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov

To: <u>HLTtestimony</u>

Cc: <u>atakaaze@hotmail.com</u>

**Subject:** Submitted testimony for SB404 on Mar 22, 2017 14:15PM

**Date:** Tuesday, March 21, 2017 9:25:01 AM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing	
Andy Takaaze	Individual	Oppose	No	

Comments: E-Juice/vape products in no way is a tobacco product, it in fact is one of the best proven methods of getting people to quit smoking.

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

From: mailinglist@capitol.hawaii.gov

To: <u>HLTtestimony</u>
Cc: jaisaea521@gmail.com

**Subject:** Submitted testimony for SB404 on Mar 22, 2017 14:15PM

**Date:** Tuesday, March 21, 2017 9:57:17 AM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
VALENTINO MIRANDA-KEPA	Individual	Oppose	No

Comments: Aloha I strongly oppose SB404. I would like see that the author of this bill get more educated in this field. How is vaping considered same as smoking? And to put in the same category as tobacco. I feel as if they attack vapor's without any education. Just do a little research and know what you are talking about before attacking the vaping community. Once again I strongly oppose bill sb404

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

From: <u>mailinglist@capitol.hawaii.gov</u>

To: <u>HLTtestimony</u>

Cc: <u>hotmixpro@yahoo.com</u>

**Subject:** Submitted testimony for SB404 on Mar 22, 2017 14:15PM

**Date:** Tuesday, March 21, 2017 9:59:44 AM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Harald H Faria Jr	Individual	Oppose	No

Comments: I feel that this is like a punishment for people trying to choose a "safer" alternative and that it is our right to choose what we buy . This most likely will result in the public switching back to regular cigarettes because they'll feel like either way they'll have to pay, thus creating more people smoking in the environment instead of vaping . I know a lot of people would rather smell vapor than smoke around them .

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

From: <u>mailinglist@capitol.hawaii.gov</u>

To: <u>HLTtestimony</u>

Cc: <u>lovemyhello@kittymail.com</u>

**Subject:** Submitted testimony for SB404 on Mar 22, 2017 14:15PM

**Date:** Tuesday, March 21, 2017 9:39:38 AM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Rebecca Powell	Individual	Oppose	Yes

Comments: I'm a Democrat and our party is out of control. Please stop ripping working people off with sky high taxes.

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From: mailinglist@capitol.hawaii.gov

To: <u>HLTtestimony</u>

Cc: <u>lovey.silva@yahoo.com</u>

**Subject:** Submitted testimony for SB404 on Mar 22, 2017 14:15PM

**Date:** Tuesday, March 21, 2017 9:58:28 AM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
LOVEY SILVA	Individual	Oppose	No

Comments: E LIQUID AND VAPE PRODUCTS ARE NOT TOBACCO PRODUCTS AND IT SHOULD'NT BE TAXED THE SAME AS TOBACCO ALSO BY RAISING VAPE TAXES WELL CAUSE PEOPLE TO GO BACK TO SMOKING.TOBACCO COMPANYS ARE A BILLION DOLLAR COMPANY AND NOT WANTING TO SEE PEOPLE QUIT.

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

From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 10:58 AM

To: HLTtestimony

Cc: brianportal808@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Brian Santiago	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 11:26 AM

To: HLTtestimony

Cc: dustinandrewsoahu@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Dustin Andrews	Individual	Oppose	No	

Comments: SB404 is just another tax screw job. BOOOOOOO!!!

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 10:40 AM

To: HLTtestimony

Cc: jchangworld@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Jessica Chang	Individual	Oppose	No	

#### Comments:

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P.O. Box 6400 Hilo, HI 96720

21 March 2017



To the committee:

I oppose SB 404 vehemently.

Are wine glasses imposed an alcohol tax? Are gas cans treated as fuel and imposed a fuel tax? Are wallets and purses imposed an income tax because they hold money? NO!!!! It is absolutely absurd to tax a piece of hardware because it is used with vaping.

Vaping helped my mother, who had a difficult time quitting cigarettes. It was a step in the right direction.

I am concerned that our freedoms are being taken away and sold back to us in a form of a tax, or that politicians who are funded by interests instead of supporting the people's wishes by supporting bills such as this.

WE ARE OVER TAXED.

Thank you for your attention,

Carl Sobrado R.N.



From: mailinglist@capitol.hawaii.gov

To: <u>HLTtestimony</u>
Cc: <u>jason.park1@aol.com</u>

**Subject:** \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

**Date:** Tuesday, March 21, 2017 4:03:40 PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Park	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 8:40 PM

To: HLTtestimony

Cc: neo777@graduate.org

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Bill Patterson	Individual	Oppose	No

Comments: As always, I will remember next November.

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





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 7:02 PM

To: HLTtestimony

Cc: boshiro21@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
bryson	Individual	Comments Only	No

Comments: I think that raising the taxes on e-cigarette products will be harmful to the people that use these type of products to quit smoking cigarettes. By raising the tax, people will no longer be able to afford e-cigarettes and will go back to smoking cigarettes. Which is gonna be more harmful to themselves, others and the environment.

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





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:49 PM

To: HLTtestimony

Cc: rallyartmax@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Chris C.K. Arakaki	Individual	Oppose	No

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 10:33 PM

To: HLTtestimony

Cc: protechoahu@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Clayton Silva	Individual	Oppose	No

#### Comments:

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 8:10 PM

To: HLTtestimony

Cc: seventh-power@outlook.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

# **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
David McCann	Individual	Oppose	No

#### Comments:

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 8:27 PM

To: HLTtestimony

Cc: fely.vacek@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Fely Vacek	Individual	Comments Only	No

Comments: More and more youth are targeted by Tabacco industries as e-cigaretes continue to look better, taste and smell better. In my school alone, I see at least one teen vaping off-campus every day. It is time that these harmful products be regulated and for shops to be licensed to sell them to prevent youth who are under 21 from getting a hold of them. I believe that steps are necessary to change the future of the next generation who really don't deserve to get exposed to second-hand smoke nor to be targeted in the hope of someday replacing the dying tobacco consumers.

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 5:29 PM

To: HLTtestimony
Cc: 1phat1@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
francis luu	Individual	Comments Only	No

Comments: I believe that raising the taxes by 70% for vaping will be harmful to the large community of people that have been able to quit smoking cigarettes. By increasing the tax, people will no longer be able to afford vape products and will once again start smoking cigarettes. If a tobacco free Hawaii is what is wanted, this bill is counterproductive to that vision. All of the people that have been able to quit smoking because of vaping will return to using cigarettes, as they will be that much cheaper. Increasing cigarette smoking is more harmful to others, the environment and the well-being of themselves. If this bill is passed, it will be a mistake.

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:35 PM

To: HLTtestimony

Cc: jjw33333@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Jake J. Watkins	Individual	Oppose	No	

#### Comments:

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From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 10:29 PM

To: HLTtestimony Cc: jamesjtz@aol.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
James Gauer	Individual	Support	No

Comments: While the bill from the outside appears extreme in regulating public behavior, especially targeting the poor health habits and choices of parents whose secondhand smoke negatively affect their children under 18 years of age, the voices of the youth should be listened to and compliance to bring this bill as far as it can to become a historic law.

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





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 5:42 PM

To: HLTtestimony
Cc: jluvdtt@yahoo.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Jess Lovely	Individual	Oppose	No

Comments: Vapor starter kits and e-liquids are already more expensive than traditional tobacco products. Putting a tax on these products to make them even more expensive to try to keep people from using them is not a valid reason for taxation. This obviously was not researched before this bill was introduced. All the factual scientific research that's been done on e-cigarettes verses traditional tobacco have returned scientific studies that prove that vaping, in the worst case scenario, is 96% better then smoking. This is obviously a reach for more tax money for the state and other avenues need to be explored. Vaping saves lives.

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





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 7:58 PM

To: HLTtestimony

Cc: iriarte96792@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	Testifier Position	Present at Hearing
Jostin A Iriarte	Individual	Oppose	No

Comments: Aloha, I strongly would like to oppose sb404, could you please reconsider this bil, at 70% tax this would have a a much more negative impact at what we the vape industry and consumers have lived for. An added tax like this could be catastrophic for small business owners as well as consumers creating loss of jobs, business closures unemployment, unhealthy health changes and decisions for consumers like myself to divert back to smoking conventional cigarettes which has proven to already have an impact on the publics health, unlike vaping which has already proven to be a much more healthier alternative, I am a business owner as well as a father, a husband, and brother, a son, a person whose life that has had a huge positive impact and life changing health factor changing from conventional cigarettes to vaping. Please thoroughly reconsider you decision with SB404 as well as other bills that could create a much more negative impact on the industry and the public than a positive one. We have helped many lives and families through vaping change for the good. Mahalo Nui Loa For your time.

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



From: Kim Robello <krobello@minitstop.com>
Sent: Tuesday, March 21, 2017 6:30 PM

To: HLTtestimony

Subject: FW: Testimony in opposition to SB-404 for Hearing on 3/22 CPC/HTI

#### Aloha All,

Please pardon me but I submitted the attached to an incorrect e-mail address. Mahalo!

From: Kim Robello

Sent: Tuesday, March 21, 2017 2:58 PM To: CPCtestimony@capitol.hawaii.gov Cc: Ttestimony@capitol.hawaii.gov

Subject: Testimony in opposition to SB-404 for Hearing on 3/22 CPC/HTI

Dear Committee Chairs,

I'm writing in strong opposition to SB-404. The proposed changes this bill will impose on the Vape industry seems proportionately unfair to an industry trying to provide an alternative to folks who continue to smoke. I do understand that a certain segment of the public has reservations regarding this industry and I respect their point of view. By contrast there is another segment who feels vaping is a viable alternative to smoking and does provide a safer alternation to your typical cigarette.

Taxing product to make it unattractive to younger folks has it's advantages but hurting the folks who sincerely believe vaping is helping them cut down or quit smoking regular cigarettes seem blatantly unfair to them at a time when they are trying help themselves.

My son was an avid smoker and I sincerely believe he would continue to be if he did not vape. I do notice he vapes way less then he smoked which is a good thing. I am a retailer as such I have an interest in selling vape but I also have an interest in fair taxation for all no matter what you partake in. I think there is a middle ground with regards to the taxation of vape but I know it's not 70% of the cost. I sincerely request that your committee table this bill until we can find a fair way of taxing this product. Mahalo!

Sent from Mail for Windows 10





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:29 PM

To: HLTtestimony

Cc: pipelinemax@outlook.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing	
Kimo Cruz	Individual	Oppose	No	

Comments: Not only no, but hell no!

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:44 PM

To: HLTtestimony

Cc: michaelaloha@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Michael Miller	Individual	Oppose	No

Comments: Aloha - I feel this tax on Vaps is a disservice to the benefits it has had on people I know that have quit smoking because of Vaps.

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





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:54 PM

To: HLTtestimony

Cc: kamika4321@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Rhoda Smith	Individual	Comments Only	No

Comments: Sb404

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 8:50 PM

To: HLTtestimony

Cc: robasuncion@gmail.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

## **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Robert Asuncion	Individual	Oppose	No

#### Comments:

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 9:25 PM

To: HLTtestimony

Cc: sean@blacklavavape.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Sean Anderson	Individual	Oppose	No

Comments: This is ridiculous that the Great State of Hawaii is on this witch hunt again. If you represent us, then ask yourself a simple question. Does using a Vape Device cause cancer? The answer is a resounding NO. The reason for the 70% tobacco tax is to help offset medical expenses that are caused by using Tobacco. The State has officially claimed that it is loosing revenue by the amount of people that have stopped using tobacco. This should be considered a win. There is no other argument for this tax other than to subsidize Health problems attributed to Health problems caused by Vaping, which there are NONE!! Stop representing Big Pharma, and Big Money, and represent your constituents, the people of Hawaii. Hawaii has an opportunity to take a stand against being bullied by Big Money. The UK, among other countries actually endorses Vaping, and promotes the use of Vaping to stop the use of tobacco. Anyone that votes to create a tax is essentially voting for people that stopped tobacco to start using it again.

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





From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 11:01 PM

To: HLTtestimony

Cc: sean@blacklavavape.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Sean Anderson	Individual	Oppose	Yes

Comments: Simple question does vaping cause harm? The answer is NO. Why tax it?

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



From: mailinglist@capitol.hawaii.gov
Sent: Tuesday, March 21, 2017 6:54 PM

To: HLTtestimony

Cc: vtt.grimm@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/21/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Subn	nitted By	Organization	<b>Testifier Position</b>	Present at Hearing
,	Vinh	Individual	Oppose	No

Comments: Although vapor products contain NO tobacco, often times contain NO nicotine, and ultimately emit NO smoke, SB404 aims to unfairly classify all vapor products as "Tobacco Products" and deceptively refers to the them as "Electronic Smoking Devices" to bring vapor products into the same regulatory framework as traditional tobacco cigarettes for the purposes of taxation. This will have very dire unintended economic and health consequences and threatens to decimate the vapor industry in Hawaii. SB404 States in its justification that the use Vapor Products, specifically "E-Liquid", carries similar health risks to that of tobacco. In truth, 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. https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/457102/Ecig arettes\_an\_evidence\_update\_A\_report\_commissioned\_by\_Public\_Health\_England\_FINAL .pdf In fact, Mitch Zeller, Director of the Center for Tobacco Products at the FDA recently stated: "If a current smoker, otherwise unable or unwilling to quit, completely substituted all of the combusting cigarettes that they smoked with an electronic cigarette at the individual level, that person would probably be significantly reducing their risk."

http://thedianerehmshow.org/shows/20140121/newhealthriskscigarettesmoking/transcri pt ● SB404 exempts traditional Nicotine Replacement Therapy (NRT) products that contain nicotine even though electronic cigarettes have been shown to be a much more effective tool for helping people quit smoking and have been demonstrated to have a similar risk profile as NRT's. http://onlinelibrary.wilev.com/doi/10.1111/add.12623/abstract

http://m.circ.ahajournals.org/content/130/Suppl\_2/A14945.short • SB404 also states in its justification that without taxing vapor products, "smokers may be tempted to purchase less expensive products such as e-liquid". This statement is categorically untrue because virtually all 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. • The tax framework laid out by SB404 makes no sense and would be virtually unenforceable. The bill aims to tax all vapor devices including all of their components whether or not they are sold separately "including but not limited to atomizers, coils, drips tips, and tanks". This would be the equivalent of applying the tobacco tax to all lighters, rolling papers, pipes and any other smoking tool or accessory that does not even contain tobacco.

1

Furthermore in the E-liquid section, the bill states that if the device is sold with e-liquid that does not contain nicotine, then it is exempt from the tax altogether which is completely contradictory to the aforementioned. • Subjecting vapor products to this proposed tax would only encourage former smokers and current vapers to either buy from online vendors who would not be subject to the state tax or go back to tobacco. Local manufacturers, wholesalers and retailers would be put at massive competitive disadvantage and most retail customers would send their money out of state effectively lowering the tax revenue already being generated by sales of vapor products here in the state. We would be unable to compete in other out-of-state and international markets with competitors who are not subjected to the same tax, which would put our local operations in severe jeopardy meaning an immediate loss of jobs and existing revenues. This bill would also effectively reduce access to a modified risk product that has been a public health win and would simply prop up and protect the proven deadly tobacco market.

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

From: mailinglist@capitol.hawaii.gov

Sent: Wednesday, March 22, 2017 8:06 AM

To: HLTtestimony

Cc: wintersnicholas@rocketmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/22/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Nicholas Winters	Individual	Oppose	No

Comments: Vaping is not dangerous. If anything more people will smoke because of bill 404. I can't believe the house health committee gave sb404 a hearing. Did some tobacco growers association out there push to get this bill a hearing to smash the competition? I'm not saying they did but reading this bill it would have made sense from them to do it.

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

From: mailinglist@capitol.hawaii.gov

Sent: Wednesday, March 22, 2017 8:27 AM

To: HLTtestimony

Cc: mjwwatson07@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/22/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Mauliola J Watson	Individual	Oppose	No

Comments: I strongly oppose this bill imposing a 70% tax on all products relating to electronic cigarettes. How are these percentages being calculated? I believe that this tax will have grievous consequences upon local business owners and brick & mortar vape shops. Some effects I believe to be significant will be the decrease in available employees knowledgeable in the use of electronic devices and therefore increase the dangers of improper use of these electronic devices. It should be valued that business owners are afforded an opportunity to employ highly knowledgeable persons to increase awareness of these dangers and insure that users are vaping safe. I strongly oppose this bill not only because this tax is a representation of inaccurate information which will harm the local business owners, but because it will also have harmful effects upon the community in general.

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From: mailinglist@capitol.hawaii.gov

Sent: Wednesday, March 22, 2017 7:50 AM

To: HLTtestimony

Cc: Natalie.selga@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

#### **SB404**

Submitted on: 3/22/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

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

Comments: I oppose the language in SB404! The proposed measure would amend the definition of "cigarette" to include "electronic smoking devices" thereby making them subject to the tobacco tax. This would raise taxes on both the e-juice and the components by over 70%. Traditional cigarettes have been proven to be a health hazard, but electronic smoking devices have only appeared on the market in 2004, and even though such devices contain nicotine, they do not produce other hazardous substances associated with a traditional cigarette. Given that there is no tobacco being consumed with these electronic smoking devices, it is questionable why these products should be classified as tobacco, and subjected to under the much higher tobacco tax. Vapor products are used as substitutes for a tobacco product, but then so are other products like nicotine gum and patches. How should these products be taxed, if at all? If the health department believes that products such as cigarettes, chewing tobacco, and other forms of tobacco consumption are bad for the community's health, then those products should be banned altogether. Apparently, lawmakers do not want to give up the revenues they reap from the heavy taxes imposed on these products. Finally, this version of the bill restricts the use of tobacco license and perm it fees. Given that the revenues from the tobacco tax law are already heavily earmarked, it is questionable whether this requirement is workable or enforceable Aloha, I STRONGLY OPPOSE SB404, I hope you will please reconsider this bill. A 70% tax would have an incredibly negative impact on the consumers and . An added tax like this could be catastrophic for small business owners as well as consumers creating loss of jobs, business closures, unemployment, unhealthy health changes and decisions for consumers like myself to divert back to smoking conventional cigarettes which has proven to already have an impact on the publics health vaping has already proven to be a much healthier alternative. I, and many others, have experienced a huge positive impact and life changing health factor changing from conventional cigarettes to vaping. Please consider this, and the negative impact further tax raises and licensing fees will have when you make your decision regarding SB404. This industry has helped many lives and families for the better and further hindering of the industry will only reverse this. Mahalo Nui Loa for your time.

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

From: mailinglist@capitol.hawaii.gov

Sent: Wednesday, March 22, 2017 8:54 AM

To: HLTtestimony

Cc: Jasongraham83@gmail.com

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15PM

### **SB404**

Submitted on: 3/22/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
jason graham	Individual	Oppose	No

Comments: I am a 33 year old military combat veteran and have been smoking ever since I was 16. Until I was introduced to vaping some of my health issues have been a direct result to smoking cigarettes examples include difficulty breathing while sleeping- very high blood pressure and Wolf Parkinsons white which resulted in two heart surgeries. Vaping has done more than saved my life it has improved it. My blood pressure has went down alot I can breathe easier overall and frankly don't smell like an ashtray. I urge yo u to think about the overall health of the people and their wellbeing and not your wallets. I ask that you see this not only provides a job and income for some families but also a solution for not smoking that has never been solved because it was never in the interest of big tobacco. Ty for your time and I urge you to reconsider eliminating small businesses and a solution to a terrible habit of smoking cigarettes

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

From: Vinh Tran <vtt.grimm@gmail.com>
Sent: Wednesday, March 22, 2017 9:46 AM

To: HLTtestimony

Subject: Title Line: "Testimony in OPPOSITION to SB-404 for Hearing on March 22nd -

CPC/HLT"

## Dear Committee Chairs,

I am writing in STRONG opposition to SB 404. The proposed changes in this bill will drastically hurt the industry and will all but eliminate access to consumer who use these products, which are a much healthier alternative to smoking.

I smoked since i was 23 now 34 and have been tobacco cigarette f ree for 3 years because of vaping. I also work in a vape shop here in Aiea and have personally helped thousands quit their hazardous habits of smoking cigarettes. Please make sure the goal of Hawaii Government is to save and create jobs not destroy an industry helping millions.

Aloha,

Vincent Tran,

Thanks,

From: mailinglist@capitol.hawaii.gov

Sent: Wednesday, March 22, 2017 9:43 AM

To: HLTtestimony

Cc: arbeit@hawaiiantel.net

Subject: Submitted testimony for SB404 on Mar 22, 2017 14:15 PNI



#### **SB404**

Submitted on: 3/22/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Wendy Arbeit	Individual	Support	No

Comments: Yes! I strongly support this bill that would considerably constrain and control vaping and other tobacco products, helping to take them out of the hands of our youth so they're less likely to become addicted to nicotine with its associated health implications.

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From: ichiyama2 - Brandon

Sent: Wednesday, March 22, 2017 10:52 AM

To: HLTtestimony

Subject: FW: "Testimony in OPPOSITION to SB-404 for Hearing on March 22nd - CPC/HLT"

From: Vinh Tran [mailto:vtt.grimm@gmail.com] Sent: Wednesday, March 22, 2017 9:44 AM

To: CPCtestimony < cpctestimony@capitol.hawaii.gov>

Subject: "Testimony in OPPOSITION to SB-404 for Hearing on March 22nd - CPC/HLT"

#### Dear Committee Chairs,

I am writing in STRONG opposition to SB 404. The proposed changes in this bill will drastically hurt the industry and will all but eliminate access to consumer who use these products, which are a much healthier alternative to smoking.

I smoked since i was 23 now 34 and have been tobacco cigarette free for 3 years because of vaping. I also work in a vape shop here in Aiea and have personally helped thousands quit their hazardous habits of smoking cigarettes. Please make sure the goal of Hawaii Government is to save and create jobs not destroy an industry helping millions.

Aloha,

Vincent Tran,

Thanks,

From: mailinglist@capitol.hawaii.gov

Sent: Wednesday, March 22, 2017 10:47 AM

To: HLTtestimony

Cc: jonau808@yahoo.com

Subject: \*Submitted testimony for SB404 on Mar 22, 2017 14:15PM\*

## **SB404**

Submitted on: 3/22/2017

Testimony for HLT/CPC on Mar 22, 2017 14:15PM in Conference Room 329

Submitted By	Organization	<b>Testifier Position</b>	Present at Hearing
Jon	Individual	Oppose	No

#### Comments:

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