

STAND. COM. REP. NO.

183

Honolulu, Hawaii

February 8, 2019

RE: H.B. No. 387

H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 387
entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Make it unlawful to ship tobacco products or transport tobacco products ordered through a remote sale to anyone other than a licensee;
- (2) Include e-liquid within the definition of tobacco products as used in the cigarette tax and tobacco tax law;
- (3) Increase the license fees for wholesalers or dealers and retail permit fees for tobacco products; and
- (4) Impose new excise taxes for wholesalers or dealers on cigarettes and little cigars, and other tobacco products, other than large cigars.

The Department of Health, University of Hawaii Student Health Advisory Council, Hawai'i Pacific Health, Hawai'i Primary Care Association, American Heart Association, Hawai'i Public Health

HB387 HD1 HSCR HLT HMS 2019-1617-1



Institute, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, and numerous individuals testified in support of this measure. The Hawaii Food Industry Association, VOLCANO Fine Electronic Cigarettes, Hi Lyfe Vaporz, LLC, Logic Technology Development, LLC, Smokeless Hawaii Enterprises, Hawaii Smokers Alliance, and numerous individuals testified in opposition to this measure. The Department of Taxation, Department of the Attorney General, Tax Foundation of Hawaii, and American Cancer Society Cancer Action Network provided comments.

Your Committee has amended this measure by:

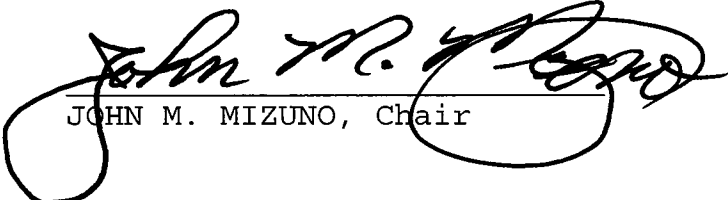
- (1) Allowing, rather than requiring, a person to be charged with a misdemeanor for unlawful shipment of tobacco;
- (2) Permitting the Department of Taxation to investigate reports of unlawful shipping of tobacco and to take appropriate actions, including an informal resolution of the matter;
- (3) Deleting the definition of e-liquid and the inclusion of e-liquids as part of the definition of tobacco products;
- (4) Deleting references to little cigars and large cigars in the language of the new excise taxes;
- (5) Changing the effective date to July 1, 2050, to promote further discussion; and
- (6) Making technical, nonsubstantive amendments for clarity, consistency, and style.

Your Committee notes their intent behind making the language of the offense more permissive is to promote further discussion on this measure.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 387, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 387, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.



Respectfully submitted on
behalf of the members of the
Committee on Health,


JOHN M. MIZUNO, Chair



