

STAND. COM. REP. NO.

**1000**

Honolulu, Hawaii

**MAR 01 2019**

RE: S.B. No. 1405  
S.D. 2

Honorable Ronald D. Kouchi  
President of the Senate  
Thirtieth State Legislature  
Regular Session of 2019  
State of Hawaii

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred S.B. No. 1405, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC SMOKING PRODUCTS,"

beg leave to report as follows:

The purpose and intent of this measure is to:

- (1) Establish the offense of unlawful shipment of e-liquid products;
- (2) Include e-liquid and electronic smoking devices containing e-liquid within the definition of "tobacco products", for purposes of the cigarette tax and tobacco tax law;
- (3) Increase the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products;
- (4) Increase the retail tobacco permit fee for retailers;
- (5) Fund health education and prevention programs regarding the risks and dangers of electronic smoking devices; and
- (6) Repeal various statutory provisions relating to electronic smoking.



Your Committees received testimony in support of this measure from the Department of the Attorney General, Department of Taxation, Department of Health, Hawaii Primary Care Association, Bridge Club Hawaii, Hawai'i Public Health Association, Blue Zones Project, Hawaii COPD Coalition, Hawai'i Public Health Institute, American Cancer Society Cancer Action Network, O'ahu County Committee on Legislative Priorities of the Democratic Party of Hawai'i, Breathe Aloha Club, American Heart Association, Student Health Advisory Council, and seventy-seven individuals. Your Committees received testimony in opposition to this measure from Irie Hawaii; Black Lava Vape; Hi Lyfe Vaporz, LLC; VapeWithAloha; Tobacco LLC; VOLCANO Fine Electronic Cigarettes; Retail Merchants of Hawaii; Hawaii Smokers Alliance; and forty-eight individuals. Your Committees received comments on this measure from the Tax Foundation of Hawaii.

Your Committees find that electronic smoking devices and "e-liquids" have been gaining popularity amongst smokers due to the availability of varying strengths of nicotine and a wide variety of flavors. Electronic smoking devices and e-liquids are particularly popular with the youth and due to this, the United States Surgeon General has declared that electronic smoking device use among youth is an epidemic in the United States. Your Committees further find that the rate of electronic smoking device usage among the youth in Hawaii is exceptionally high, with 25 percent of high school students being regular users and 42 percent having tried an electronic smoking device. Your Committees believe that this measure will address the high rates of electronic smoking devices being used by the youth in the State, encourage a healthy lifestyle for all, and support tobacco and cancer prevention research in the State.

Your Committees have amended this measure by:

- (1) Inserting an effective date of March 15, 2030, to encourage further discussions; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the records of votes of the members of your Committees on Judiciary and Ways and Means that are attached to this report, your Committees are in accord with the intent and



purpose of S.B. No. 1405, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 1405, S.D. 2.

Respectfully submitted on behalf of the members of the Committees on Judiciary and Ways and Means,

  
DONOVAN M. DELA CRUZ, Chair

  
KARL RHOADS, Chair



The Senate  
Thirtieth Legislature  
State of Hawai'i


**Record of Votes**  
**Committee on Judiciary**  
**JDC**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1405, SD1	CPH, JDC/WAM	2/26/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
RHOADS, Karl (C)	✓			
WAKAI, Glenn (VC)	✓			
GABBARD, Mike	✓			
KIM, Donna Mercado	✓			
FEVELLA, Kurt	✓			
<b>TOTAL</b>	5	0	0	0
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

\*Only one measure per Record of Votes

The Senate  
Thirtieth Legislature  
State of Hawai'i

**Record of Votes**  
**Committee on Ways and Means**  
**WAM**

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 1405, SD 1	CPH, JDC/WAM	2-26-19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	/			
KEITH-AGARAN, Gilbert S.C. (VC)				/
ENGLISH, J. Kalani	/			
HARIMOTO, Breene	/			
INOUYE, Lorraine R.				/
KAHELE, Kaiali'i				/
KANUHA, Dru Mamo	/			
KIDANI, Michelle N.	/			
MORIWAKI, Sharon Y.	/			
RIVIERE, Gil				/
SHIMABUKURO, Maile S.L.	/			
TANIGUCHI, Brian T.	/			
FEVELLA, Kurt	/			
<b>TOTAL</b>	9			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
<b>Distribution:</b> Original     Yellow     Pink     Goldenrod File with Committee Report     Clerk's Office     Drafting Agency     Committee File Copy				

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