

STAND. COM. REP. NO.

640

Honolulu, Hawaii

February 15, 2019

RE: H.B. No. 1574

H.D. 2

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

Sir:

Your Committees on Consumer Protection & Commerce and  
Judiciary, to which was referred H.B. No. 1574, H.D. 1, entitled:

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

beg leave to report as follows:

The purpose of this measure is to:

- (1) Establish the offense of unlawful shipment of e-liquid products;
- (2) Tax and regulate e-liquid products as other tobacco products;
- (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 engaged in the retail sale of cigarettes and tobacco products;
- (5) Deposit additional funds in the Hawaii Tobacco Prevention and Control Trust Fund; and

HB1574 HD2 HSCR CPC-JUD HMS 2019-2157



- (6) Repeal various statutory provisions relating to electronic smoking devices made obsolete by this measure.

The Department of the Attorney General, Department of Health, Department of Taxation, a Council Member of the Hawai'i County Council, We Are One, Inc., American Heart Association, Hawai'i Public Health Institute, Hawaii Primary Care Association, Blue Zones Projects-Hawaii, American Cancer Society Cancer Action Network, AAUW Windward, Student Health Advisory Council of the University of Hawai'i, Hawaii COPD Coalition, Keiki Injury Prevention Coalition, and numerous individuals testified in support on this measure. HI Lyfe Vaporz, VOLCANO Fine Electronic Cigarettes, Logic Technology Development, LLC., Irie Hawaii Stores, Retail Merchants of Hawaii, Hawaii Smokers Alliance, and many individuals testified in opposition. The Hawaii Food Industry Association and Tax Foundation of Hawaii provided comments.

Your Committees have amended this measure by:

- (1) Specifying that the determination of the value of the e-liquid products for purposes of the new criminal offense be based upon the retail value of those products at the time and place of the offense;
- (2) Requiring applicants for a retail tobacco permit to indicate whether each place of business sells e-liquid, which shall be indicated on the retail tobacco permit; and
- (3) Making technical, nonsubstantive amendments for clarity, consistency, and style.

As affirmed by the records of votes of the members of your Committees on Consumer Protection & Commerce and Judiciary that are attached to this report, your Committees are in accord with the intent and purpose of H.B. No. 1574, H.D. 1, as amended herein, and recommend that it be referred to your Committee on Finance, in the form attached hereto as H.B. No. 1574, H.D. 2.



Respectfully submitted on  
behalf of the members of the  
Committees on Consumer  
Protection & Commerce and  
Judiciary,



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CHRIS LEE, Chair



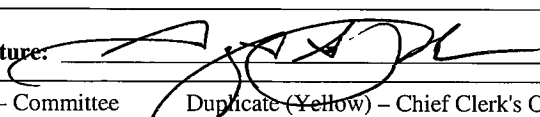
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ROY M. TAKUMI, Chair





Record of Votes of the Committee on Judiciary

Bill/Resolution No.: H01574 H01	Committee Referral: HLT, CPC/JUD, FIN	Date: 2/12/19		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
JUD Members	Ayes	Ayes (WR)	Nays	Excused
1. LEE, Chris (C)	/			
2. SAN BUENAVENTURA, Joy A. (VC)	/			
3. BROWER, Tom	/			
4. CREAGAN, Richard P.		/		
5. LOWEN, Nicole E.	absent			/
6. McKELVEY, Angus L.K.	/			
7. MORIKAWA, Dee	/			
8. SAY, Calvin K.Y.	/			
9. TAKAYAMA, Gregg	/			
10. YAMANE, Ryan I.	/			
11. THIELEN, Cynthia	/			
TOTAL (11)	9	1		1
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: 				
Distribution: Original (White) – Committee      Duplicate (Yellow) – Chief Clerk's Office      Duplicate (Pink) – HMSO				