

Honolulu, Hawaii

FEB 03 , 2020

RE: H.B. No. 2346
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred H.B. No. 2346 entitled:

"A BILL FOR AN ACT RELATING TO TOBACCO PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the offense of unlawful shipment of tobacco products;
- (2) Tax and regulate e-liquid products and electronic smoking devices in the same manner 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; and
- (5) Repeal various statutory provisions relating to electronic smoking devices made obsolete by this measure.



Your Committee received testimony in support of this measure from the Department of Taxation; Department of Health; Hawaii Pacific Health; Kapiolani Smokefree Families: Tobacco & Nicotine Cessation Program; Coalition for a Tobacco-Free Hawaii; Waianae Coast Comprehensive Health Center; American Cancer Society Cancer Action Network; American Heart Association; Hawaii Primary Care Association; Student Health Advisory Council of the University of Hawaii; Hawaii Women's Coalition; The Friends of Kamalani and Lydgate Park; We Are One, Inc.; Filipino Business Women's Association; Hawaii COPD Coalition; Americans for Democratic Action; and numerous individuals. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii, Hawaii Smokers Alliance, and three individuals. Your Committee received comments on this measure from the Tax Foundation of Hawaii and Hawaii Food Industry Association.

Your Committee has amended this measure by:

- (1) Changing the effective date to July 1, 2050, to encourage further discussion; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

Your Committee notes that prior iterations of this measure in past legislative sessions have specified that certain dispositions of revenue from monies collected under the cigarette and tobacco taxes would go toward health education and prevention programs. Your Committee further notes that this measure does not propose any new dispositions of revenue of those taxes, but this is still under deliberation by the Department of Health. Should this measure be given further consideration as it progresses the legislative session, your Committee requests that those subsequent committees consider whether portions of the cigarette and tobacco taxes should be allocated toward health education and prevention programs.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2346, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2346, H.D. 1, and be referred to your Committee on Judiciary.



Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROY M. TAKUMI, Chair



Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: HB 2346	Committee Referral: CPC, JUD, FIN	Date: 1/30/20		
<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)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.	✓			
4. BELATTI, Della Au				✓
5. CABANILLA ARAKAWA, Rida	✓			
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.	✓			
8. KONG, Sam Satoru		✓		
9. MIZUNO, John M.				✓
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren				✓
TOTAL (11)	7	1	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. <div style="text-align: center; font-size: 10px;">committee acronym(s)</div>				
Vice Chair's or designee's signature:				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				