

STAND. COM. REP. NO. 3181

Honolulu, Hawaii

FEB 28 2020

RE: S.B. No. 2227

S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committees on Judiciary and Ways and Means, to which was referred S.B. No. 2227, 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) Require that e-liquid and electronic smoking devices be included within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law;
- (2) Increase the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products;
- (3) Increase the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products;
- (4) Allocate a portion of funds collected on excise taxes on tobacco products to fund health education, prevention, and nicotine cessation programs for youth regarding the risks and dangers of the use of electronic smoking devices; and
- (5) Repeal certain provisions of the Hawaii Revised Statutes relating to electronic smoking devices.



Your Committees received testimony in support of this measure from the Department of Taxation; Department of Health; Hawaii Youth Services Network; American Heart Association; Hawaii Substance Abuse Coalition; Coalition for a Drug-Free Hawaii; Hawaii Primary Care Association; Kapi'olani Smokefree Families; American Academy of Pediatrics, Hawaii Chapter; Keiki Injury Prevention Coalition; Ka'u Rural Health Community Association, Inc.; Hawaii Public Health Institute; Coalition for a Tobacco-Free Hawai'i; Hawaii State Teachers Association; We Are One, Inc.; Hui No Ke Ola Pono; Hawai'i Pacific Health; Holy Nativity School; Pediatric Therapies Hawaii; Kaho'omiki; American Cancer Society Cancer Action Network; and thirty-three individuals. Your Committees received testimony in opposition to this measure from sixteen individuals. Your Committees received comments on this measure from the Tax Foundation of Hawaii and Hawaii Food Industry Association.

Your Committees find that between 2011 to 2015, the use of electronic smoking devices by Hawaii's youth increased six-fold among middle school youth and four-fold among high school youth. This is particularly concerning considering the Surgeon General's warning about the dangers of vaping. This measure provides protection for consumers through further regulation and dedicates revenue to fund a prevention program as an essential step to help youth, who will become future adults, to quit or sustain their cessation of electronic smoking devices.

Your Committees have amended this measure by:

- (1) Providing that it shall be unlawful for any person other than a licensed tobacco retailer to receive any shipment of e-liquids or electronic smoking devices;
- (2) Inserting a blank dollar amount to be deposited to the credit of the Hawaii Tobacco Prevention and Control Trust Fund to establish a comprehensive youth tobacco cessation program to fund health education, prevention, and nicotine cessation programs about the risks and dangers of the use of electronic smoking devices for youth;



- (3) Inserting an effective date of June 18, 2050, to encourage further discussion; and
- (4) 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. 2227, S.D. 1, as amended herein, and recommend that it pass Third Reading in the form attached hereto as S.B. No. 2227, S.D. 2.

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



DONOVAN M. DELA CRUZ, Chair

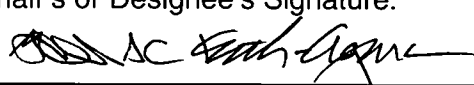


KARL RHOADS, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* <i>SB 2227 SD 1</i>	Committee Referral: <i>CPH, JDC/WAM</i>	Date: <i>2/26/20</i>		
<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)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani	X			
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil	X			
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.				X
FEVELLA, Kurt	X			
TOTAL	<i>10</i>			<i>3</i>
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes