



STATE OF HAWAII
DEPARTMENT OF HEALTH
P. O. Box 3378
Honolulu, HI 96801-3378
doh.testimony@doh.hawaii.gov

**Testimony in SUPPORT of S.B. 887, SD2, HD1
RELATING TO TOBACCO TAXES**

REPRESENTATIVE ROY TAKUMI, CHAIR
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
Hearing Date: March 19, 2019 Room Number: 329

1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation
2 (DOTAX) on fiscal implications.

3 **Department Testimony:** DOH supports Senate Bill 887, Senate Draft 2, House Draft 1 (S.B.
4 887, SD2, HD1) to increase the excise tax for cigarettes and little cigars as this is an effective
5 public health measure to reduce smoking and prevent youth initiation of smoking. The
6 Department is not commenting on the specified amounts nor the allocation of funds resulting
7 from the increased revenues.

8 According to the U.S. Surgeon General, increasing the price of tobacco products
9 is the single most effective way to reduce consumption.¹ A ten percent increase in price
10 has been estimated to reduce overall cigarette consumption by three to five percent.

11 The National Cancer Institute (NCI) and World Health Organization (WHO)
12 concluded in their 2017 report, *The Economics of Tobacco and Tobacco Control*, “A
13 substantial body of research, which has accumulated over many decades and from many
14 countries, shows that significantly increasing the excise tax and price of tobacco products
15 is the single most consistently effective tool for reducing tobacco use. Significant
16 increases in tobacco taxes and prices reduce tobacco use by leading some current users to
17 quit, preventing potential users from initiating use, and reducing consumption among
18 current users.”²

¹ U.S. Department of Health and Human Services. [Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General](#). Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2012 [accessed 2018 Jan 22].

² U.S. National Cancer Institute & World Health Organization, *The Economics of Tobacco and Tobacco Control*, National Cancer

1 On both federal and state levels, increases in tobacco taxes have generated more calls to
2 quitlines. After the 2009 federal tobacco tax increase passed, calls to the national quitline (1-
3 800-QUIT-NOW), increased by 30 percent in the year following as compared to the year prior.³
4 After Oklahoma passed a \$1.00 increase per cigarette pack tax in July 2018, the state’s Tobacco
5 Helpline saw an increase of 85 percent in registrations in the first month compared to the same
6 time the year prior.⁴ Wisconsin experienced a record-breaking 20,000 calls in the first two
7 months after it passed a \$1.00 increase per cigarette pack tax, whereas it typically received 9,000
8 calls per year.⁵ Hawaii has benefited from the effort of policymakers who enacted tobacco taxes
9 and provided funding for services through the Hawaii Tobacco Quitline, and community-based
10 cessation grants. The prevention policies and cessation programs from 2000 to 2017 resulted in
11 9,400 fewer youth and 73,300 adult smokers, and 700 fewer pregnant smokers, resulting in \$1
12 billion in total healthcare savings.⁶

13 Hawaii currently has the sixth highest tax rate in the nation.⁷ The last time there was a
14 tax increase on cigarettes in Hawaii was in 2011 when taxes were raised from 15 cents per stick
15 in 2010 to 16 cents per stick in 2011. The Department supports S.B. 887, SD2, HD1 to reduce
16 the public health burden of tobacco use and cigarette consumption which are still the leading
17 causes of preventable chronic disease and early death. The Department defers to the DOTAX
18 regarding allocation of revenues to the designated special funds.

19 Thank you for the opportunity to testify.

Institute Tobacco Control Monograph 21, NIH Publication No. 16-CA-8029A, Bethesda, MD: U.S. Department of Health and Human Services, National Institutes of Health, National Cancer Institute; and Geneva, CH: World Health Organization; 2016, https://cancercontrol.cancer.gov/brp/tcrb/monographs/21/docs/m21_complete.pdf

³ Analysis of data from calls to 1-800-QUIT-NOW. Retrieved from Campaign for Tobacco-Free Kids. Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (And the Cigarette Companies Know It). December 11, 2018. Retrieved February 11, 2019 from <https://www.tobaccofreekids.org/assets/factsheets/0146.pdf>

⁴ Collins, E, “Tobacco tax hike has more Oklahoma smokers trying to quit,” KOKH, August 9, 2018, <https://ktul.com/news/local/tobaccotax-hike-has-more-oklahomans-trying-to-quit>.

⁵ “Calls to Wisconsin Tobacco Quit Line breaks all records,” The Dunn County News, March 12, 2008. Retrieved from Campaign for Tobacco-Free Kids. Raising Cigarette Taxes Reduces Smoking, Especially Among Kids (And the Cigarette Companies Know It). December 11, 2018. Retrieved February 11, 2019 from <https://www.tobaccofreekids.org/assets/factsheets/0146.pdf>

⁶ Holmes, et al. 2018. Tobacco Landscape. Hawaii Dept of Health Chronic Disease Prevention and Health Promotion Division.

⁷ Campaign for Tobacco-Free Kids. State Cigarette Excise Tax Rates & Rankings. December 21, 2018.

DAVID Y. IGE
GOVERNOR

JOSH GREEN M.D.
LIEUTENANT GOVERNOR



LINDA CHU TAKAYAMA
DIRECTOR

DAMIEN A. ELEFANTE
DEPUTY DIRECTOR

**STATE OF HAWAII
DEPARTMENT OF TAXATION**

830 PUNCHBOWL STREET, ROOM 221
HONOLULU, HAWAII 96813

<http://tax.hawaii.gov/>
Phone: (808) 587-1540 / Fax: (808) 587-1560
Email: Tax.Directors.Office@hawaii.gov

To: The Honorable Roy M. Takumi, Chair
and Members of the House Committee on Consumer Protection & Commerce

Date: Tuesday, March 19, 2019
Time: 2:00 P.M.
Place: Conference Room 329, State Capitol

From: Linda Chu Takayama, Director
Department of Taxation

Re: S.B. 887, S.D. 2, H.D. 1, Relating to Tobacco Taxes

The Department of Taxation (Department) provides the following comments regarding S.B. 887, S.D. 2, H.D. 1, for your consideration.

S.B. 887, S.D. 2, H.D. 1, raises the tax on cigarettes and little cigars from 16 cents per cigarette or little cigar to an unspecified number of cents per cigarette or little cigar, effective for cigarettes and little cigars sold on or after July 1, 2020. This measure also amends the allocation of cigarette stamp tax revenue. The tax provisions of H.D. 1 have a defective effective date of July 1, 2051.

The Department notes that the Senate Committee on Commerce, Consumer Protection, and Health amended the effective date of the tax increase at the Department's request. The Department appreciates the consideration of its testimony and notes that it can administer this measure as currently drafted, provided a functional effective date and specified tax rates are inserted.

Thank you for the opportunity to provide comments.



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MacKinnon LLP

JoAnn Tsark, MPH
John A. Burns School of
Medicine, Native Hawaiian
Research Office

En Young, MBA
Sansei, Lanai

Date: March 18, 2019

To: Representative Roy M. Takumi, Chair
Representative Linda Ichiyama, Vice Chair
Members of the Consumer Protection & Commerce Committee

Re: Support for SB887 SD2 HD1, Relating to Tobacco Taxes

Hrg: March 19, 2019 at 2:00pm at Conference Room 329

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Institute¹ is in **Support of SB 887 SD2 HD1** which proposes to increase the cigarette tax and specifies revenue increases to be dedicated to specified health improvement purposes.

The Coalition supports an increase in taxes on cigarettes and tobacco products. Raising taxes is a proven strategy to reduce consumption on tobacco products for both adults and youth. The Coalition notes that there has not been an increase in taxes on cigarettes and little cigars in the last eight years and for other tobacco products, other than large cigars, the last tax increase occurred in 2009.

Majority of registered Hawai'i voters support an increase in cigarette taxes (74%) and nine in ten registered voters (94%) feel that it is important for the State to dedicate part of its revenue to tobacco prevention and cessation programsⁱⁱ. Populations at risk that continue to experience higher rates of smoking would be the primary beneficiaries of these education and cessation activities, helping to provide them with the resources needed to quit smoking and to help curb the high costs associated with tobacco use. We humbly ask that a portion of the proposed tobacco tax revenue be dedicated to tobacco prevention and cessation programs.

Tobacco use is still the number one preventable cause of death and costs our State \$526 million annually. Raising tobacco taxes encourages people to quit smoking.

The Coalition supports SB887 SD2 HD1 and asks you to pass this measure out of committee.

Mahalo,



Jessica Yamauchi, MA
Executive Director

ⁱ The Coalition for a Tobacco-Free Hawai'i (Coalition) is a program of the Hawai'i Public Health Institute (HIPHI) that is dedicated to reducing tobacco use through education, policy, and advocacy. With more than two decades of history in Hawai'i, the Coalition has led several campaigns on enacting smoke-free environments, including being the first state in the nation to prohibit the sale of tobacco and electronic smoking devices to purchasers under 21 years of age.

The Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

ⁱⁱ This study by Ward Research, Inc. summarizes findings from a phone survey among n=804 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between October 8 and November 2, 2018.



American Heart Association testimony in SUPPORT of SB 887, SB2, HD1 Relating to Tobacco Taxes with suggested amendment

Chairman of the Board

Mark Yamakawa

President

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Board Members

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the AHA’s educational or
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Office: (808) 377-6630

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Neighbor Islands:

Serviced by the Oahu
office

The American Heart Association supports SB 887, SB2, HD1 which in its SB2 form would increase the cigarette tax to 21 cents per cigarette or little cigar sold. However, because Hawaii does not invest in tobacco and prevention and control programs at the CDC’s recommended levels, the AHA recommends amending the bill to allocate a portion of the tobacco tax revenue to that purpose.

A one-time sizeable cigarette tax increase of at least \$1 per pack (5-cents per stick) would have a greater impact on reducing smoking rates, especially on the lower income and youth markets, which are more price sensitive, and which are the most highly targeted by tobacco industry marketing and advertising.

Because smoking levels are highest among people with low incomes, the cigarette companies will try to argue that cigarette tax increases are regressive taxes that fall disproportionately hard on lower-income families and communities. But this argument turns reality upside down. These are the same companies that have been preying on low-income and poor communities for decades. The cigarette companies have no problem with levying new charges on low-income smokers when it increased their own profits. They only oppose the new charges when someone else (like a state government) gets the new revenues, instead. In fact, when the federal government implemented a new increase on cigarette taxes the cigarette companies wasted no time immediately after the law passed hiking the prices on their products to profiteer on the increase during the interim period between passage of the law and its implementation.

The fact that smoking rates are highest among lower-income groups means that lower-income families and communities currently suffer the most from smoking and will, consequently, benefit the most from any effective new measures to reduce smoking, including increased state cigarette taxes. Their health problems caused by tobacco use also disproportionately affect Medicaid costs to the state.

Smokers who do not reduce their smoking because of a cigarette tax increase will also still benefit economically, along with every other state taxpayer. In Hawaii alone, tobacco use claims 1,400 lives each year and creates \$526 million in annual health care costs directly caused by smoking (\$141.7 million of that is covered by the state Medicaid program). Hawaii residents’ state & federal tax burden from smoking-caused government expenditures is \$836 per household. Hawaii’s estimated tobacco tax revenue, estimated to be approximately \$110 million per year, does not come close to offsetting the losses to the state caused by tobacco use. Smoking declines caused by state cigarette tax increases directly reduce these smoking-caused economic burdens for all taxpayers, and Hawaii businesses which bear the brunt of employee healthcare costs in our state.

Those who stop smoking in response to cigarette tax increases will greatly improve their own health, which could also significantly reduce their healthcare costs. Because of their

higher rate of illness and disability, smokers have substantially higher annual and lifetime healthcare costs than nonsmokers or former smokers (despite living shorter lives).

Those who quit smoking as a result of a tax increase would also then have additional money to spend on taxable products that don't result in over a \$500 million in healthcare costs to the state. The money doesn't go up in smoke; instead it will likely be spent on more productive things that can benefit the smokers' families and our state.

Hawaii has made great strides in reducing tobacco use, but despite these advances, tobacco use remains the leading cause of preventable death in our state and challenges to tobacco control still exist. Hawaii's current adult smoking prevalence (12.8%) remains higher than the national Healthy People 2020 target of 12%. Moreover, our low smoking rates can conceal the fact that smoking continues to disproportionately affect populations and community groups by race and ethnicity, income and education, mental health and substance abuse, and lesbian, gay, bisexual, and transgender (LGBT) orientation. These subpopulations silently bear the brunt of the tobacco use burden in our state. Additionally, the rapid rise in youth fascination with ESDs and other novel products which have proven to be gateway products to traditional tobacco product use and threaten our cumulative efforts to free the next generation from the deadly effects of nicotine addiction.

To insure that this tax increase has the desired health impact, the AHA particularly supports the allocation of additional cigarette tax revenue to prevention and control programs. Low-income smokers and their communities disproportionately benefit when the new revenues from cigarette tax increases are directed to programs to help people quit smoking and prevent kids from starting – both because smoking is more prevalent among low-income persons and because they may have much less access or exposure to any such programs than people with higher incomes.

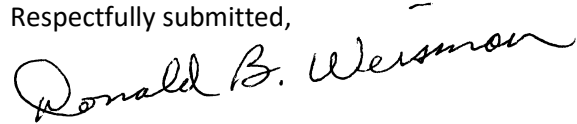
The tobacco industry spends an estimated \$25.5 million each year marketing its products in Hawaii. Hawaii's \$5.3 million investment in tobacco prevention, control and cessation programs pale in comparison, and falls well short of the Centers for Disease Control's (CDC) best practice recommendation of a \$13.7 million annual investment. The Hawaii legislature last increased Hawaii's cigarette tax in 2006. Since that time, inflation of approximately 18% has decreased the value of the cigarette tax to below 85 cents on the dollar.

More community funding is needed to both address tobacco prevention, control and cessation in Hawaii's disparately-affected populations to reduce their smoking rates to levels comparable to Hawaii's broader adult population, as well as to address skyrocketing youth initiation into tobacco through use of electronic smoking devices. An increase in Hawaii's cigarette tax would help to provide the needed funding to address one of the leading major health risks among Hawaii's most vulnerable populations.

Finally, concerns that the suggested sizeable increase in the tobacco tax would create black market sales are unfounded. Federal law restricts online sales of cigarettes.

Please support HB 887, SB2, HD1 with the originally suggested increase by 5 cents per stick (\$1 per pack) and AHA's recommended amendment to allocate a portion of the tobacco tax revenue to boost the investment in community tobacco prevention, control and cessation programs.

Respectfully submitted,

A handwritten signature in black ink that reads "Donald B. Weisman". The signature is written in a cursive style with a horizontal line above the "i" in "Weisman".

Donald B. Weisman
Hawaii Government Relations/Communications Director

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Increase Tobacco Tax Rate on Cigarettes and Little Cigars

BILL NUMBER: SB 887, SD-2, HD-1

INTRODUCED BY: House Committee on Health

EXECUTIVE SUMMARY: This is a 30%+ tax increase beginning on 7/1/19 on cigarettes and little cigars. The increased taxes are having an effect on consumption, which means the tax cannot be expected to produce stable funding. Lawmakers may want to consider direct appropriations to programs now being supported by earmarks from this tax.

SYNOPSIS: Amends HRS 245-3 to increase the tax on cigarettes and little cigars to 20 cents per unit sold, used, or possessed by the wholesaler or dealer on and after 7/1/16.

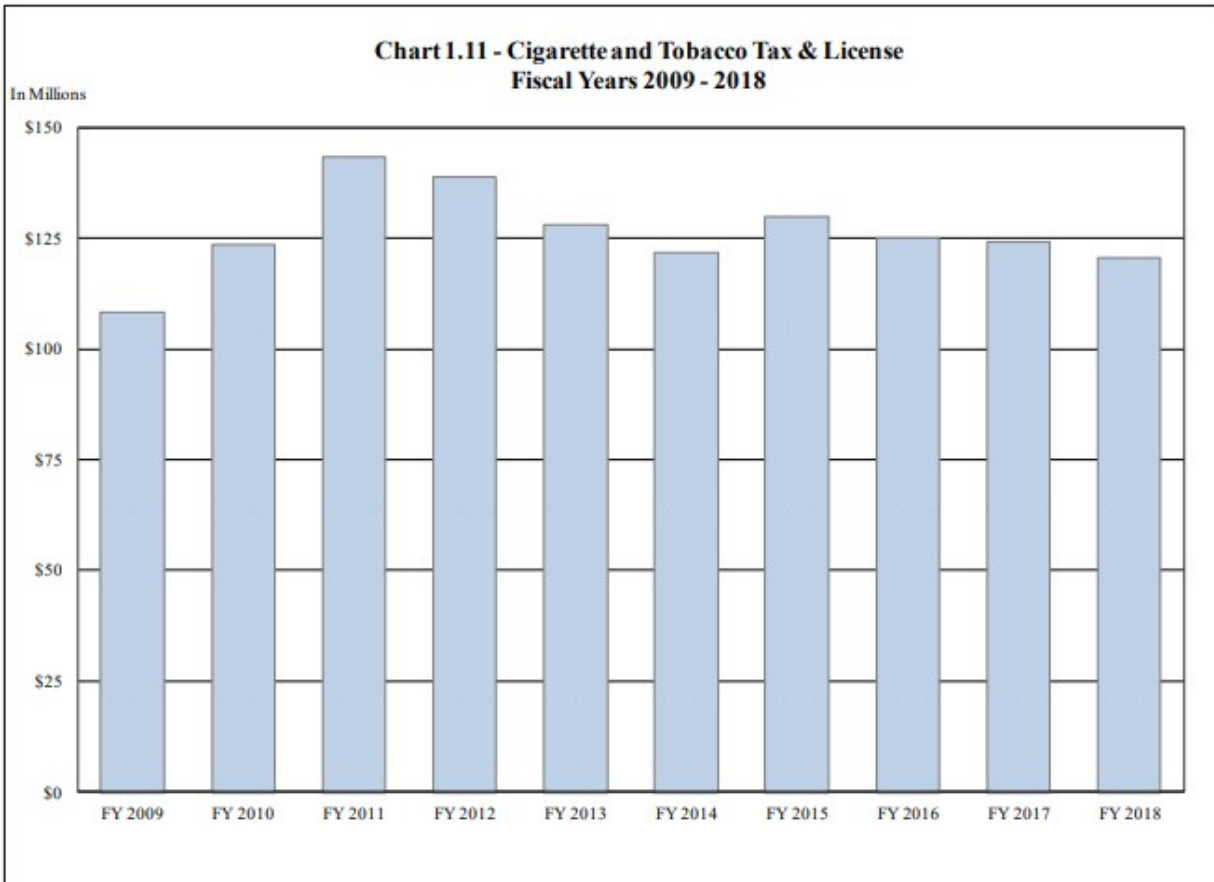
Amends HRS section 245-15 to provide that the revenue generated under the rate increase shall be distributed as follows:

- _____ cents per unit to the Hawaii cancer research special fund (current law 2.0 cents), for research, including research for liver and bile duct cancer, and operating expenses and for capital expenditures;
- _____ cents per unit, but not more than \$7,400,000 in a fiscal year, to the trauma system special fund (current law 1.125 cents);
- _____ cents per unit, but not more than \$8,800,000 in a fiscal year, to the community health centers special fund (current law 1.25 cents);
- _____ cents per unit, but not more than \$8,800,000 in a fiscal year, to the emergency medical services special fund (current law 1.25 cents);
- _____ cents per unit, with no maximum, to a special account of the state general fund for expenditure to repay medical school loans of graduates of the John A. Burns school of medicine, who practice in primary care in the medically underserved population areas of this State, as determined by the John A. Burns school of medicine (new); and
- _____ cents per unit to the health systems special fund (new); and
- Any excess goes to the general fund.

Makes conforming amendments to section 323F-21, HRS.

EFFECTIVE DATE: July 1, 2050; the tax hike and the revenue reallocation are effective July 1, 2051.

STAFF COMMENTS: This measure is clearly a tax hike. Previous increases have begun to have an effect on collections not only locally but also nationally. Collections have fallen below their previous levels, and the increase in the legal smoking age from 18 to 21 also is anticipated to have a negative effect on consumption.



Source: Department of Taxation Annual Report (2018)

For whatever reason, the rise in rate has jeopardized this source of revenue. If nothing else, lawmakers need to make up their minds whether or not they see this tax as a source of revenue or a means by which to deter consumption.

As predicted, programs that have been fed by earmarks from the tobacco tax, like the Cancer Research Center, have become a victim of the success of tobacco cessation programs and publicity. Revenues produced by the tobacco tax have been in steady decline over the past few years despite tax rate increases, and hoisting the smoking age to 21 in the 2015 session certainly didn't reverse the trend.

Do we really need an elaborate study to tell ourselves that fiscal reliance on funds from a sin tax is inadvisable or outright dangerous? If the goal is to affect social behavior, use of the tax law is not the most effective way to do so.

Digested 3/15/2019

SB-887-HD-1

Submitted on: 3/16/2019 10:04:33 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Neil Ishida	ABC Stores	Oppose	No

Comments:

ABC Stores oppose SB 887 SD2, HD1 Relating to Tobacco Taxes. This measure increases the cigarette and tobacco tax on cigarettes and little cigars by five cents beginning July 1, 2020 and allocates excise tax revenue generated at the increased rate to specified health improvement purposes beginning July 1, 2020.

Raising the tobacco tax and permit fee by 30% will hurt locally owned businesses. More people will begin to purchase tobacco products on the black market or on line or at military retail outlets tax free. Tobacco products will be more sought after by organized retail crime. We urge you to hold this measure. Mahalo for this opportunity to testify.



HAWAII HEALTH SYSTEMS

C O R P O R A T I O N

"Quality Healthcare for All"

HOUSE COMMITTEE ON CONSUMER PROTECTION & COMMERCE
Representative Roy M. Takumi, Chair
Representative Linda Ichiyama, Vice Chair

March 19, 2019
Conference Room 329
2:00 p.m.
Hawaii State Capitol

Testimony Supporting Senate Bill 887, SD 2, HD 1
Relating to Tobacco Taxes.

Increases the cigarette and tobacco tax on cigarettes and little cigars by five cents beginning July 1, 2020. Allocates excise tax revenue generated at the increased rate to specified health improvement purposes beginning July 1, 2020.

Linda Rosen, M.D., M.P.H.
Chief Executive Officer
Hawaii Health Systems Corporation

The Hawaii Health Systems Corporation (HHSC) board of directors is in **support of SB 887, SD 2, HD 1.**

HHSC appreciates the Legislature's attention to the needs of our nine hospitals across the state. We support this measure as it would provide additional funding to assist HHSC's efforts to provide quality health services, while also reducing the need for general fund appropriations. These comments are limited to the parts of this measure pertaining to HHSC, as we are unable to fully analyze the impact on other health programs that receive funding.

Nationwide, there has been a direct correlation between the increase in the price of cigarettes and decreased consumption. According to the Hawaii State Department of Health, 2011 was the last tax increase passed on cigarettes. Reducing the overall burden of tobacco related disease in the communities we serve is an added benefit of this measure.

Passage of SB 887, SD2, HD 1 would provide additional revenue to sustain HHSC's state-wide safety net of healthcare services.

Thank you for the opportunity to provide testimony on this measure.

SB-887-HD-1

Submitted on: 3/15/2019 3:58:50 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Elena Cabatu	East Hawaii Region of Hawaii Health Systems Corporation	Support	No

Comments:



American Cancer Society
Cancer Action Network
2370 Nu`uanu Avenue
Honolulu, Hawai`i 96817
808.432.9149
www.acscan.org

House Committee on Consumer Protection and Commerce
Representative Roy Takumi, Chair
Representative Linda Ichiyama, Vice Chair

SB 887, SD2, HD1 – RELATING TO TOBACCO TAXES

Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in support of SB 887, SD2, HD1, which increases the excise tax on cigarettes and little cigars sold on or after July 1, 2020, to twenty-one cents per each cigarette or little cigar sold with proceeds funding public health initiatives and provides for the use of funds to the Hawaii Cancer Center for liver and bile duct cancer research. Measure is effective 7/1/2050.

Regular, significant increases in the retail price of cigarettes reduce the number of people who begin smoking and increase the number of smokers who quit.

- Significant increases in the price of cigarettes leads to a reduction in overall cigarette consumption and a reduction in youth consumption.
- Low-income adults, youth, and pregnant women are especially likely to quit or reduce their smoking when the price increases.
- Lower smoking rates translate into fewer smoking-related cancers and premature deaths, reduced spending on smoking-related health problems, and more productive workers.

Small tax increase amounts do not produce significant public health benefits or cost savings because tobacco companies can easily offset the beneficial impact of such small increases with temporary price cuts, coupons, and other promotional discounting. Increasing the tax rate with inflation will also help to ensure that the public health and revenue benefits of the tax increase do not diminish as quickly over time. We are also supportive of efforts to fund liver and bile duct cancer research.

Thank you for the opportunity to provide testimony on this measure.



**TESTIMONY OF TINA YAMAKI
PRESIDENT
RETAIL MERCHANTS OF HAWAII
March 19, 2019**

Re: SB 887 SD2 HD1 Relating to Tobacco Tax

Good afternoon Chairperson Takumi and members of the House Committee on Consumer Protection & Commerce. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) as founded in 1901 and is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

We OPPOSE SB 887 SD2 HD1 Relating to Tobacco Taxes. This measure increases the cigarette and tobacco tax on cigarettes and little cigars beginning July 1, 2020. Allocates excise tax revenue generated at the increased rate to specified health improvement purposes beginning July 1, 2020. Specifies moneys in the Cancer Research Special Fund to be used to research liver and bile duct cancer.

Many retailers statewide are already operating on a thin margin and face stiff competition. Raising the tobacco tax and permit fees will truly hurt locally owned businesses. More people will begin to purchase tobacco products cheaper on the black market or on line or at military retail outlets where they are tax free. Tobacco products may even be more sought after by organized retail crime. The small locally owned businesses' may potentially be forced to close. This would mean the convenient corner store would be gone and leaving people out of work.

The retailers are not the ones selling the cigarettes and the vaping devices to those who are under 21 years of age. Many of who are underage are obtaining their cigarettes and vaping devices from their parents or older friends or purchasing them on the black market. We have seen a significant spike in theft and tobacco products are a favorite to be stolen. Those selling the stolen goods do not care to see how old someone is.

We urge you to hold this measure. Mahalo again for this opportunity to testify.

March 18, 2019

RE: **Support of SB887 SD2 HD1** Relating to Tobacco taxes

Aloha Chair Takumi, Vice-Chair Ichiyama, and Members of the Consumer Protection & Commerce Committee:

Blue Zones Project–Hawaii supports SB887 SD2 HD1, which would increase the tax on tobacco products.

Increasing the tax on tobacco is a proven method to reduce the number of people using tobacco products. Every year our state spends \$526 million to address the health problems that are linked to tobacco use. This one time significant increase will decrease the use of tobacco and prevent unnecessary deaths and diseases.

Mahalo for this opportunity to testify in support of SB887 SD2 HD1.

Sincerely,

Peggy Mierzwa

Peggy Mierzwa
Blue Zones Project—Hawaii

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Testimony in Support of SB887 by American Cancer Society Cancer Action Network, Inc. –
Relating to Tobacco Taxes

Cameron Woods	Ericelle Crispe
Kira Nelson	Andrey McDaniels
Anam Maniar	Summer Yi
Anna Davide	Melanie Akin
Joshlyn Rodrigues	Jaimee Kato
Brandy Hitchcock	Marc Rollon
Christine Ly	Monica Franco
Sharde Bobiles	Cielo Subia
Kionna Buchanan	Rojelle Bohol
Ashley Nelson	Thomas C. Mills
Sherimae Murro	Camille Gurion
Hanako Ishii	Dillion Nahoakahea
Jausaafia L. Uiagalelei	Nicole Granam
Kainoa Miyamoto	Carly Nakano
Parker Hymer-Costa	Ajani Bryant Gysi

**TESTIMONY IN SUPPORT OF SB887
RELATING TO TOBACCO TAXES**

I am writing to express my strong support for SB887, which if passed, would increase the taxes on each cigarette or little cigar to 21 cents.

Tobacco use is the nation's most preventable cause of death, yet nearly half a million Americans will die from smoking-related diseases this year. Most tobacco users say they want to quit and about half try to quit each year, but only less than 10 percent succeed without help.

Research has shown that increasing the tax on tobacco products provides a proven effective incentive to help adults quit and prevent kids from ever starting the deadly habit. I urge you to support SB887.

This tax will also help to support community health centers throughout our state and help to fund a special account of the state general fund for expenditure to repay medical school loans of graduates of the John A. Burns school of medicine, who practice in primary care in the medically underserved population areas of this State, as determined by the John A. Burns school of medicine.

Cameron Woods

Print Name

Hea, Hawaii 96701

City

Zip Code

SB-887-HD-1

Submitted on: 3/17/2019 5:31:28 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Hawaii Smokers Alliance	Oppose	No

Comments:

The days when raising tobacco taxes would bring in more revenue are LONG OVER. All a tax hike does is further black market interests. It also puts the future funding for government sponsored parasite groups that live off tobacco taxes in faster decline.

P.S. It angers constituents that smoke as well.

SB-887-HD-1

Submitted on: 3/15/2019 4:23:29 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jake J. Watkins	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/15/2019 4:34:37 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Karl	Individual	Oppose	No

Comments:

I oppose this tax

this tax is unfair to the poor

non smokers should not have a say in what taxes smokers have to pay

taxes should not be used as leverage to make people stop a behavior others do not like.

poor people are not going to stop smoking it just unfairly burdens the poverty stricken even more.

taxes should not be diverted to charities , the poor cannot afford to give away extra money to cancer research

life is hard enough without rich people taxing people in poverty and making them contribute to charities.

just leave us alone , stop taxing us because you don't like the habit

smoking tobacco is legal and legislated , burdening the poor with additional taxes to people who cannot afford the taxes

you will be taking food out of people mouths so they can buy tabacco ,

please vote no to this unjust tax increase

SB-887-HD-1

Submitted on: 3/15/2019 4:36:30 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Corrine K. Paikuli-Borreta	Individual	Support	No

Comments:

Hello,

My name is Corrine Paikuli-Borreta and I am in full support of this bill. As kanaka maoli my ohana has been personally affected by the disease causing carcinogens in cigarettes. Native hawaiians are amongst some of the highest who develop smoking related cancer illness.

Cigarette smoke is a scientifically proven known carcinogen. I live in a town house community where my air is poisoned by my cigarette smoking neighbor(s) who are allowed to let their cigarette smoke bellow out of their windows and it flows into mine. I have a child who suffers from ADHD and a husband who has ASTHMA both medical conditions are known to be exaberated by cigarette smoke. Yet, because the association of PALM VILLAS does not wish to challenge the "rights of smokers", we are forced to live with our windows shut. In the heat of EWA!! How about the rights of non-smokers? We are not the ones causing the shared air enviornment to poisoned, yet we are the ones who are suffering with high air conditioned cost in order to avoid second hand smoke exposure. I would love to be able to enjoy our amazing trade winds, when we have them. However, I cannot and will not risk my immediate ohana's health. My husband has more than once had severe asthma attacks, resulting in E.R visits which I believe was from second hand cigarette smoke exposure from my neighbors.

I am in full support of raising the taxes on cigarettes!! I believe the taxes should be higher. Cigarettes should cost a minimum of \$15.00 -\$20.00 a pack. Perhaps, this would help to initiate more smokers to quit. Or at least pay for the rising health costs associated with smoking? Smokers who develop "smoking related health issues" cost taxpayers as "some but of course not all" smokers do not health insurance. Yet, our state will provide medical care to anyone who needs it, through the indigent programs which are funded by myself as a taxpayer. We pay for the smoking related health care of people who do it to themselves, by smoking??

YES!!! RAISE THE TAX on cigarettes and while we are at it, RAISE THE TAX every year. I fully understand the addictive nature of cigarettes. I have studied (though currently taking a break to save up monies- toward finishing my CSAC (certified substance abuse counselor). So, I get it, how addictive nicotine is. I propose we RAISE

THE TAX every year and use the monies to fund smoking cessation programs, that work. Fund the programs that will help resolve the problem and keep RAISING the TAX on cigarettes until people quit.

I thank you for reading this.

Corrine Paikuli-Borreta

SB-887-HD-1

Submitted on: 3/15/2019 4:57:35 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sabrina Spencer	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/15/2019 5:23:42 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ned Garcia	Individual	Oppose	No

Comments:

I'm opposed to this unless the committee gets smart and lowers the tax.

SB-887-HD-1

Submitted on: 3/15/2019 5:26:12 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Bob Bainum	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/15/2019 5:35:45 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jenny Chan	Individual	Oppose	No

Comments:

The bill's an unfair ripoff.

SB-887-HD-1

Submitted on: 3/15/2019 7:52:07 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
April Pacheco	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/15/2019 9:22:21 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ke Nguyen	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/16/2019 6:14:30 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
JOHN BREUKER	Individual	Support	No

Comments:

SB-887-HD-1

Submitted on: 3/16/2019 9:39:23 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Watanabe	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/16/2019 10:46:24 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Winters	Individual	Oppose	No

Comments:

I don't want to get beat up again with more taxes. Strongly Oppose.

SB-887-HD-1

Submitted on: 3/16/2019 1:35:51 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cindy Nettles	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/16/2019 1:49:21 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael S. Nakasone	Individual	Oppose	No

Comments:

Smart people already buy their smokes non-taxed via P2P. It's a good revenue source for both documented and undocumented immigrants with good foreign connections.

SB-887-HD-1

Submitted on: 3/16/2019 3:49:42 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sean Higa	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/16/2019 4:28:14 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Monika Lopez	Individual	Oppose	No

Comments:

I'm sick of getting ripped off by tax bills like this one. This bill will help me quit - quit voting for the people who support bills like SB887 that is.

SB-887-HD-1

Submitted on: 3/16/2019 5:37:53 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dallas Nelson	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/16/2019 6:42:46 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brodie Lockard	Individual	Support	No

Comments:

SB-887-HD-1

Submitted on: 3/16/2019 6:57:45 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jason Park	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/17/2019 8:15:33 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Kim	Individual	Oppose	No

Comments:

Paying too much already.

SB-887-HD-1

Submitted on: 3/17/2019 11:05:54 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Owens	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/17/2019 11:27:46 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brian Santiago	Individual	Oppose	No

Comments:

887's a real kick in the teeth to people that have differing lifestyles.

SB-887-HD-1

Submitted on: 3/17/2019 3:34:26 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Patterson	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/17/2019 1:44:46 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Steven Melling	Individual	Oppose	No

Comments:

This is another form of government over reach and uncontrolled spending. In the end it will hurt the poor and our tourists.

SB-887-HD-1

Submitted on: 3/17/2019 5:15:50 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Clayton Silva	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/17/2019 5:15:54 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Toby Rushforth	Individual	Oppose	No

Comments:

MORE TAXES? Why would anyone trust you to fence tax income for a specific purpose. It hasn't bothered you to raid set aside taxes and pot of money in the past?

SB-887-HD-1

Submitted on: 3/17/2019 6:44:54 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Anton	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/17/2019 6:47:34 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kimo Cruz	Individual	Oppose	No

Comments:

Not only no, but hell no!

SB-887-HD-1

Submitted on: 3/18/2019 5:42:58 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Stevens	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/18/2019 8:58:11 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Brandon Allen Kainoa Leong	Individual	Oppose	No

Comments:

Oppose

SB-887-HD-1

Submitted on: 3/17/2019 9:19:06 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
SUSAN P HUGHES	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/18/2019 4:04:48 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Keanu Esser	Irie Hawaii	Oppose	No

Comments:

I oppose this bill.

SB-887-HD-1

Submitted on: 3/18/2019 4:46:14 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lucien Wong	Individual	Support	No

Comments:

Research at UHCC to determine why Hawaii has, at 184 new cases every year, the highest incidence of liver/bile duct cancer of all 50 states must be done to save lives from this almost always terminal disease. Funds in this bill could be provided for this research. Mahalo!

SB-887-HD-1

Submitted on: 3/18/2019 5:06:13 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nani Medeiros	Individual	Support	Yes

Comments:

Aloha Chair and members of the committee. I strongly support Section 3 of SB 887 HD1 which sets aside a blank dollar amount of new tobacco tax revenue to conduct liver and bile duct cancer research at the University of Hawaii Cancer Research Center. If you ever went to the KCC Farmers Market on Saturday and saw the Paniolo Popcorn guy making his kettle corn, then you saw my dad. On August 14, 2018 he was diagnosed with cholangiocarcinoma, bile duct cancer. He had no signs of illness, never had hepatitis, never had liver disease, and did not consume large amounts of alcohol. On January 14, 2019, just five months later, he was killed by this cancer.

Hawaii has the highest mortality rate of bile duct cancer out of all fifty states, and every year there are 184 new cases diagnosed. Research shows that it is possible the causes of this cancer can be linked to freshwater fish and watercress that have been infected with liver flukes and are then ingested by humans upon consumption. Liver fluke infections can live up to 30+ years in our intestines before becoming cancerous. Aflotoxins are produced in warm, tropical/humid climates by a fungus that grows on rice, grains, and nuts; they have also been found to cause bile duct cancer. A report done in the 1960s by the University of Hawaii showed Hawaii had liver flukes in it's freshwater fish, watercress, and cattle. With the highest mortality rate in the country, it's time we do something about this lethal weapon and find out what is causing this cancer to occur with such high incidence in our state. Please fund this research and help save lives.

Mahalo.

SB-887-HD-1

Submitted on: 3/18/2019 6:44:01 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Abe	Individual	Oppose	No

Comments:

SB-887-HD-1

Submitted on: 3/19/2019 1:56:44 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Higgins	Individual	Support	Yes

Comments:

My name is Michael Higgins. I am 55 years old, and I am very grateful to be alive to testify on this matter. In October 2018, I was diagnosed with bile duct cancer and on November 2nd, I had a pancreaticoduodenectomy otherwise known as a Whipple procedure. Although it sounds like a cute name, the surgeons had to remove my gall bladder, duodenum, ½ my stomach, ¾ of my pancreas, most of my bile duct, 16 lymph nodes and some of my small intestines. Then they had to connect everything remaining to make my digestive system work again. One week before my surgery, I had an episode called cholangitis which is the inflammation of the bile duct. Bacteria was backing up into my body due to the blockage and I became septic. I also had a minor heart attack due to the stress I was going through. After regaining my strength, I had my surgery to remove the cancerous tumors. One surgery turned into three due to complications, and I visited the ICU several times. I remained in the hospital for 44 days under constant care and could not eat for about 35 days. My medical treatment was excellent, but my questions of how I got this go unanswered. Being born and raised here, my diet was a wide mix of local and worldwide dishes. I don't smoke, rarely drank alcohol and led a busy life. I was always active with baseball as a kid, paddling as a teen/young adult and my work keeps me physically active indoors and out. My liver was fine and I did not have any form of hepatitis, so I'm constantly wondering what led to my type of cancer.

The prognosis for patients that have bile duct cancer is very depressing, but I refuse to read into the negativity and try to keep busy with an active life. My loving and supportive wife along with our two daughters keep me driven to be around for their wedding days. I'm now undergoing the early stages of chemotherapy and have another 4 months to go. It beats me up at times, but I'm letting it do its thing to wipe out any potential cancer left in me.

Despite my diagnosis and changed body, I am so grateful to be alive due to having detected this early on. For many out there, the cancer is too far advanced and surgery may not even be an option. I ask that you pass Senate Bill 887 and House Bill 654 to make available the necessary funds for research, education and testing for our local population which has the highest rate of bile duct cancer in the United States.

Sincerely,

Michael Higgins

Testimony in Support of SB 887, SD2, HD1

To: Representative Roy M. Takumi, Chair Committee on Consumer Protection & Commerce
Representative Linda Ichiyama, Vice-Chair Committee on Consumer Protection & Commerce

From: Dyan M. Medeiros

Re: In support of SB8 887, SD2, HD1

Hearing Date: March 19, 2019

Hearing Time: 2:00 p.m.

Hearing Place: Conference Room 329

Representative Takumi, Representative Ichiyama, and Members of the Committee,

I submit this testimony as a private citizen in strong support of SB 887, SD2, HD1.

My father, Albert P. Medeiros, Jr., was diagnosed on August 14, 2018 with bile duct cancer (cholangiocarcinoma). He passed away 5 months later at the age of 71. This is not unusual. This type of cancer is incurable and usually fatal in less than one year. For some reason, Hawai'i has higher incidents of this type of cancer than the rest of the country.

His loss has been devastating for our family. He was a single father and the only parent my sister and I can remember. But for this cancer, my father was in good health. His parents lived to be far older than 71 and one of his siblings is 80. But for this cancer, he would still be with us today and for a long time to come.

My father suffered from none of the common causes of bile duct cancer (hepatitis, heavy alcohol consumption, or liver disease). He was born and raised in Hawai'i. He was an avid waterman and fisherman and loved to eat fish.

The University of Hawai'i Cancer Center wishes to study why the people of Hawai'i are suffering from this horrible form of cancer at a higher rate than the rest of the country. Studies in other countries indicate that bile duct cancer can be caused by liver fluke infections. Among other things, liver fluke infections can be caused by eating raw fish or watercress, both of which are prevalent in our Hawaiian diet. We deserve to know if our food sources/supply or eating habits are contributing to the high rates of this cancer in Hawai'i. We

deserve to know so our people can protect themselves and their loved ones and prevent future losses of those we hold dear.

This bill would provide much needed funding for the research proposed through the increased tax. I urge you to pass SB 887, SD2, HD1, in the strongest possible terms. Thank you.

SB-887-HD-1

Submitted on: 3/19/2019 11:02:31 AM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ryan Oswald	Individual	Oppose	No

Comments:

Stop the damn stealing and get a real job.

SB-887-HD-1

Submitted on: 3/19/2019 3:51:53 PM

Testimony for CPC on 3/19/2019 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Cooper	Individual	Oppose	No

Comments:

STRONG OPPOSE.