A BILL FOR AN ACT

RELATING TO ELECTRONIC SMOKING DEVICES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- 1 SECTION 1. The legislature finds that the introduction of
- 2 flavored e-cigarettes, electronic smoking devices, and other
- 3 electronic nicotine delivery systems into the marketplace has
- 4 had a negative impact on Hawaii's youth. According to the
- 5 Hawaii Youth Risk Behavior Survey, Hawaii suffers from the
- 6 highest rate of usage of e-cigarettes among middle school
- 7 students and the second highest rate of usage among high school
- 8 students in the nation. The United States Surgeon General,
- 9 United States Department of Health and Human Services, and
- 10 Centers for Disease Control and Prevention caution against the
- 11 use of electronic nicotine delivery systems due to the highly
- 12 addictive nature of nicotine and its potential detriment to
- 13 developing adolescents.
- 14 There has been recent federal action to better regulate
- 15 electronic nicotine delivery systems, with the implementation of
- 16 the premarket tobacco product applications--the equivalent of a
- 17 federal Food and Drug Administration scientific certification.

- 1 All manufacturers of existing tobacco products and new tobacco
- 2 products were required to submit premarket tobacco product
- 3 application to the Food and Drug Administration by September 9,
- 4 2020, to continue legal sales of those products. In January
- 5 2021, the Food and Drug Administration began issuing warning
- 6 letters to manufacturers that failed to submit premarket tobacco
- 7 product applications for products being marketed for sale.
- 8 The legislature further finds that at the end of December
- 9 2020, Congress passed and the President signed the Consolidated
- 10 Appropriations Act, 2021 (P.L. 116-260). Title VI of division
- 11 FF of the Consolidated Appropriations Act, 2021, named the
- 12 "Preventing Online Sales of E-Cigarettes to Children Act",
- 13 extended the restrictions on interstate shipping and sales of
- 14 cigarettes and smokeless tobacco, and extended the prohibition
- 15 on the mailing of cigarettes through the United States Postal
- 16 Service to include electronic nicotine delivery systems. This
- 17 has the effect of ensuring only private package delivery
- 18 companies, such as the United Parcel Service and FedEx, can
- 19 deliver electronic nicotine delivery systems. This federal
- 20 legislation helps to close the loopholes in underage illegal
- 21 purchasing of electronic nicotine delivery systems, as all

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1	deliverie	s of electronic nicotine delivery systems will now
2	require v	erification that a person is at least twenty-one years
3	of age wi	th a government-issued identification.
4	The	purpose of this Act is to:
5	(1)	Expand the purposes for which moneys in the tobacco
6		enforcement special fund may be used to include all
7		functions of the department of the attorney general;
8	(2)	Better regulate and ensure the removal of unsafe,
9		noncertified electronic nicotine delivery systems from
10		the marketplace by expanding the scope of the
11		electronic smoking device retailer registration unit
12		within the department of the attorney general;
13	(3)	Establish a special fund for the deposit of moneys
14		collected for violations of electronic smoking device
15		compliance; and
16	(4)	Curb the use of electronic smoking devices and tobacco
17		products by amending the fine amounts for persons
18		under twenty-one years of age who purchase or possess
19		such devices or products.
20	SECT	ION 2. Section 28-15, Hawaii Revised Statutes, is

amended by amending subsection (b) to read as follows:

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The tobacco enforcement special fund shall be
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    administered by the department of the attorney general and shall
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    be used for administering, operating, monitoring, and ensuring
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    compliance with and enforcement of:
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              The Master Settlement Agreement as defined in chapter
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              675 and any other statutes or programs relating to
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              that agreement;
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         (2)
             Chapter 675;
         (3)
              Tobacco prevention programs;
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         (4)
              The cigarette tax stamp as defined in chapter 245 and
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              any other statutes or programs relating to that
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              chapter;
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         (5)
              Chapter 245;
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         (6)
              Chapter 486P and any other statutes or programs
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              relating to that chapter; [and]
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         (7) Chapter 28; and
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        [-(7)] (8) Any other requirement deemed necessary to carry
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              out the purposes of the fund."
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         SECTION 3. Chapter 28, Hawaii Revised Statutes, is amended
    by amending the title of part XII to read as follows:
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. 1	"PART XII. ELECTRONIC SMOKING DEVICE RETAILER
2	REGISTRATION AND ENFORCEMENT UNIT"
3	SECTION 4. Section 28-161, Hawaii Revised Statutes, is
4	amended to read as follows:
5	"[+] \$28-161[+] Policy. The registration of and
6	enforcement of compliance by electronic smoking device retailers
7	is reasonably necessary to protect the health, safety, or
8	welfare of consumers of electronic smoking devices and for the
9	enforcement of the laws that regulate the sale of electronic
10	smoking devices."
11	SECTION 5. Section 28-166, Hawaii Revised Statutes, is
12	amended to read as follows:
13	"[{] \$28-166[}] Inspection[-] and enforcement; special
14	fund. (a) The unit may examine all records of any entity
15	engaged in the business of electronic smoking device retailing
16	to verify the accuracy of the information provided for
17	registration or to verify that an entity is selling electronic
18	smoking devices without being registered. Every person in
19	possession of any books, papers, and records, and the person's
20	agents and employees, are directed and required to give the unit
21	opportunities for examination of applicable records.

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2 storage areas of any entity engaged in the retail sale of 3 electronic smoking devices as necessary. 4 (c) The unit shall enforce compliance of any electronic 5 smoking device with the Federal Food, Drug, and Cosmetic Act, as 6 amended by the Family Smoking Prevention and Tobacco Control Act 7 and its regulations, and shall have all powers necessary for the 8 enforcement of compliance, including but not limited to inspection warrants, search warrants, warning letters, seizure 10 and disposal, injunction, and criminal prosecution and fines, in 11 addition to any other administrative or judicial remedy provided 12 by law. 13 There is established in the state treasury the 14 electronic smoking device retailer registration and enforcement 15 unit special fund to be administered by the department of the 16 attorney general and into which shall be deposited all moneys 17 collected for violations of electronic smoking device compliance 18 pursuant to subsection (c). Moneys in the special fund shall be 19 used to support a portion of the operating expenses of the 20 unit."

The unit may inspect the operations, premises, and

1	SECTION 6. Section 712-1258, Hawaii Revised Statutes, is
2	amended by amending subsection (6) to read as follows:
3	"(6) Any person who violates subsection (1) or (4), or
4	both, shall be fined \$500 for the first offense. Any subsequent
5	offenses shall subject the person to a fine $[not]$ <u>no</u> less than
6	\$500 nor more than \$2,000. Any person under twenty-one years of
7	age who violates subsection (5) shall be fined [\$10] \$
8	for the first offense. Any subsequent offense shall subject the
9	violator to a fine of $[\$50,]$ $\$$, no part of which shall
10	be suspended, or the person shall be required to perform [not]
11	$\underline{\text{no}}$ less than forty-eight hours nor more than seventy-two hours
12	of community service during hours when the person is not
13	employed and is not attending school. Any tobacco product or
14	electronic smoking device, as those terms are defined in
15	subsection (7), in the person's possession at the time of
16	violation of subsection (5) shall be seized, summarily forfeited
17	to the State, and destroyed by law enforcement following the
18	conclusion of an administrative or judicial proceeding finding
19	that a violation of subsection (5) has been committed. The
20	procedures set forth in chapter 712A shall not apply to this
21	subsection."

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- 1 SECTION 7. This Act does not affect rights and duties that
- 2 matured, penalties that were incurred, and proceedings that were
- 3 begun before its effective date.
- 4 SECTION 8. Statutory material to be repealed is bracketed
- 5 and stricken. New statutory material is underscored.
- 6 SECTION 9. This Act shall take effect on July 1, 2060.

Report Title:

Electronic Smoking Devices; Tobacco Enforcement Special Fund; Electronic Smoking Device Retailer Registration and Enforcement Unit; Special Fund; Attorney General

Description:

Expands the purposes for which moneys in the tobacco enforcement special fund may be used to include all functions of the department of the attorney general. Renames the electronic smoking device retailer registration unit the electronic smoking device retailer registration and enforcement unit. Expands the scope of the unit to include enforcement of compliance of electronic smoking devices with the Federal Food, Drug, and Cosmetic Act. Establishes a special fund for moneys received from enforcement actions. Amends the fine amount for persons under twenty-one years of age who purchase or possess tobacco products or electronic smoking devices. Effective 07/01/2060. (HD1)

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