

STAND. COM. REP. NO.

2087

Honolulu, Hawaii

, 2023

APR 06

RE: S.B. No. 975

S.D. 2

H.D. 3

Honorable Scott K. Saiki  
Speaker, House of Representatives  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 975, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Establish the offense of unlawful shipment of tobacco products;
- (2) Include electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law;
- (3) Beginning January 1, 2024, impose an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer;
- (4) Increase the license and permit fees for wholesalers, dealers, and retailers;
- (5) Repeal the electronic smoking device retailer registration unit under the Department of the Attorney General; and

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- (6) Repeal provisions governing delivery sales of electronic smoking devices.

Your Committee received testimony in support of this measure from the Department of the Attorney General, University of Hawai'i John A. Burns School of Medicine, one member of the Hawai'i County Council, University of Hawai'i Student Health Advisory Council, Hawai'i Primary Care Association, Hawaii Substance Abuse Coalition, Hawai'i Association of Independent Schools, AlohaCare, Hawaii Medical Association, Hawaii Dental Association, Hawaii Medical Service Association, Hawai'i Public Health Association, and numerous individuals. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii; Americans for Tax Reform; Hawaii Smokers Alliance; Cigar Association of America, Inc.; VOLCANO Vape Shops; ABC Stores; Consumer Choice Center; and numerous individuals. Your Committee received comments on this measure from the Department of Health, Department of Taxation, Coalition for a Tobacco-Free Hawai'i, American Lung Association in Hawai'i, Hawaii State Teachers Association, Parents and Children Together, Papa Ola Lokahi, Hawai'i State Youth Commission, American Heart Association, Campaign for Tobacco-Free Kids, Coalition for a Tobacco-Free Hawaii's Youth Council, Tax Foundation of Hawaii, and numerous individuals.

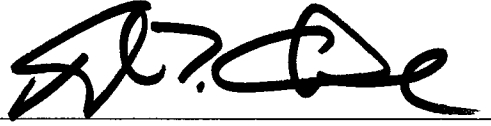
Your Committee has amended this measure by:

- (1) Changing the license and permit fees for wholesalers, dealers, and retailers to unspecified amounts; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 975, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 975, S.D. 2, H.D. 3.



Respectfully submitted on  
behalf of the members of the  
Committee on Finance,



KYLE T. YAMASHITA, Chair



