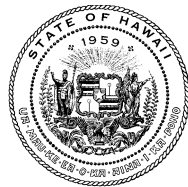


JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION

Ka 'Oihana 'Auhau
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
FAX NO: (808) 587-1560

GARY S. SUGANUMA
DIRECTOR OF TAXATION

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

**TESTIMONY OF
GARY S. SUGANUMA, DIRECTOR OF TAXATION**

TESTIMONY ON THE FOLLOWING MEASURE:

H.B. No. 537, H.D. 2, Relating to Electronic Smoking Devices

BEFORE THE:

House Committee on Finance

DATE: Friday, February 24, 2023

TIME: 3:30 p.m.

LOCATION: State Capitol, Room 308

Chair Yamashita, Vice-Chair Kitagawa, and Members of the Committee:

The Department of Taxation (Department) offers the following comments regarding H.B. 537, H.D. 2, for your consideration.

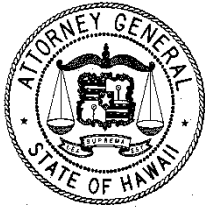
H.B. 537, H.D. 2, amends section 245-1, Hawaii Revised Statutes (HRS), by adding definitions for "electronic smoking device" and "e-liquid," and amending the definition of "tobacco products" to include electronic smoking devices and e-liquids. The bill has a defective effective date of January 1, 3000.

The Department estimates a revenue gain to the general fund as follows (\$ millions):

FY 2024 (5 months)	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
6.4	15.7	16.2	16.7	17.2	17.7

The Department further notes that it is able to implement this measure with an effective date of January 1, 2024.

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



**TESTIMONY OF
THE DEPARTMENT OF THE ATTORNEY GENERAL
KA 'OIHANA O KA LOIO KUHINA
THIRTY-SECOND LEGISLATURE, 2023**

ON THE FOLLOWING MEASURE:

H.B. NO. 537, H.D. 2, RELATING TO ELECTRONIC SMOKING DEVICES.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Friday, February 24, 2023

TIME: 3:30 p.m.

LOCATION: State Capitol, Room 308

TESTIFIER(S): Anne E. Lopez, Attorney General, or
Richard W. Stacey or Chelsea N. Okamoto,
Deputy Attorneys General

Chair Yamashita and Members of the Committee:

The Department of the Attorney General (Department) strongly supports this bill and offers the following comments.

This bill seeks to address the health dangers caused by the rapidly growing use of electronic smoking devices and e-liquids in Hawaii, including among the youth. The bill includes "electronic smoking device" and "e-liquid" under the definition of "tobacco products" for purposes of chapter 245, Hawaii Revised Statutes (HRS), Cigarette Tax and Tobacco Tax law, thereby subjecting these products to taxation and regulation through licensing and permitting. This bill will also repeal the electronic smoking device retailer registration unit (ESDRRU) under the Department, established under section 28-163, HRS.

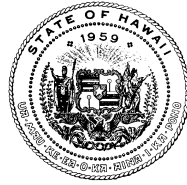
The Department supports the repeal of part XII of chapter 28, HRS, based upon this bill's goal of subjecting electronic smoking devices and e-liquids to taxation and regulation under chapter 245, HRS. Including electronic smoking devices and e-liquids within the same regulatory framework as other tobacco products would conserve resources and make the regulation of electronic smoking devices and e-liquids a more efficient process for retailers.

The Department defers to the Department of Taxation as to whether or not this bill, if passed in its current form, would achieve its purpose – taxing electronic smoking

devices and e-liquids and regulating retailers and wholesalers of these products in the same way that retailers and wholesalers of existing tobacco products are regulated.

We respectfully ask the Committee to pass this bill. We are eager to work with the Committee on this matter.

Thank you for this opportunity to provide written comments.



STATE OF HAWAII
DEPARTMENT OF HEALTH
KA 'OIHANA OLAKINO
P.O. Box 3378
Honolulu, HI 96801-3378
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**Testimony in SUPPORT of H.B. 537, H.D. 2
RELATING TO ELECTRONIC SMOKING DEVICES**

REPRESENTATIVE KYLE T. YAMASHITA, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: February 24, 2023

Room Number: Conference Room 308
& Videoconference

1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation
2 (DOTAX) and to the Office of the Attorney General (AG) on the fiscal implications for
3 implementing and enforcing the proposed measure.

4 **Department Testimony:** The DOH supports House Bill 537, House Draft 2 (H.B. 537, H.D. 2)
5 as an important public health measure to address the youth vaping epidemic in Hawaii by taxing
6 electronic smoking devices (ESDs) and e-liquid products. H.B. 537, H.D. 2 includes ESDs and
7 e-liquids under the definition of tobacco products and repeals the state law that establishes and
8 governs the Electronic Smoking Device Retailer Registration Unit within the Department of the
9 AG.

10 Current ESDs on the market popular with our keiki are disposable flavored e-cigarettes,
11 and one popular brand, Puff Bars, contains 50 mg of nicotine, equivalent to smoking two to three
12 packs of cigarettes.¹ The Federal Trade Commission (FTC) found that from 2015 to 2018,
13 nicotine content in ESDs went up 60 percent in disposable products, to 39.5 mg and by 2019 the
14 average concentration was 51.2 mg. The FTC reported that product sales were \$2.224 billion in

¹ National Public Radio. [Allison Aubrey. Parents: Teens are still vaping, despite flavor ban. Here's what they're using. February 17, 2020-5:04AM ET. Morning Edition.](#) Retrieved 2-23-2023.

1 2020 but noted this figure is incomplete due to new e-cigarette companies that were not part of
2 their study.^{2,3}

3 Since ESDs are not taxed like other tobacco products, they can often be purchased at
4 lower prices than cigarettes and combined with appealing flavors increases experimentation by
5 youth. By adding ESDs into Hawaii Revised Statutes, Chapter 245, Cigarette Tax and Tobacco
6 Law, there will be parity with the treatment of cigarettes and other tobacco products. According
7 to the U.S. Surgeon General, increasing the price of tobacco products is the single most effective
8 way to reduce consumption.⁴ An economic study by the University of Illinois, reported that
9 increasing the price of ESDs by 10% has been shown to lead to a 10% to 18% reduction in the
10 demand and consumption of ESDs – a higher price elasticity compared to combustible cigarettes.
11 Increasing the price of tobacco products has the greatest impact on youth, who are particularly
12 price sensitive and is a public health measure that has been enacted by twenty-nine states in the
13 U.S.^{5,6,7}

14 The inclusion of ESD in the definition of other tobacco products will require licensure
15 and retail permitting under the DOTAX. This alignment across all tobacco products will
16 improve efficiency for both businesses and state agencies, and accurate data for compliance
17 surveillance. As of 2022, 33 states, the District of Columbia, the Northern Mariana Islands, and
18 the U.S. Virgin Islands required retailers to have a license to sell ESDs.⁸ Tobacco licensing is an
19 effective tool for limiting the negative public health consequences of tobacco use by ensuring
20 that wholesalers and retailers comply with responsible sales practices.

² [Federal Trade Commission. E-Cigarette Report for 2015-2018. Issued 2022.](#)

³ [Federal Trade Commission. E-Cigarette Report for 2019-2020. Issued 2022.](#)

⁴ 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].

⁵ Public Health Law Center. Taxing E-Cigarette Products. E-Cigarettes; April 2021. Accessed 2/12/2023:

<https://www.publichealthlawcenter.org/sites/default/files/resources/Taxing-E-Cigarette-Products.pdf>

⁶ Centers for Disease Control and Prevention. State System Fact Sheet, E-Cigarette Tax: States with Laws Taxing E-Cigarettes (Enacted as of September 30, 2022. Accessed 2/12/2023: <https://www.cdc.gov/statesystem/factsheets/ECigarette/ECigTax.html>.

⁷ Chaloupka, F. Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products, 1 Nicotine & Tobacco Research S105 (Supp. 1 1999).

⁸ U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, STATE System Licensure Fact Sheet, <https://www.cdc.gov/statesystem/ecigarette.html>

1 The DOH supports H.B. 537, H.D. 2 as a critical public health measure to address the
2 youth vaping epidemic in Hawaii.

3 Thank you for the opportunity to testify.

4 **Offered Amendments:** None



**Testimony to the House Committee on Finance
Friday, February 24, 2023; 3:30 p.m.
State Capitol, Conference Room 308
Via Videoconference**

RE: HOUSE BILL NO. 0537, HOUSE DRAFT 2, RELATING TO ELECTRONIC SMOKING DEVICES.

Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 0537, House Draft 2, RELATING TO ELECTRONIC SMOKING DEVICES.

By way of background, the HPCA represents Hawaii's Federally Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines to over 150,000 patients each year who live in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

The bill, as received by your Committee, would make commercial transactions of an "electronic smoking device" and "E-liquid" subject to the Cigarette Tax and Tobacco Tax Law, Chapter 245, Hawaii Revised Statutes. This bill would also take effect on January 1, 3000.

FQHCs have long seen first-hand how tobacco has literally destroyed the lives of our patients and their families. Because of the ubiquity of cigarettes, chewing tobacco, and now electronic smoking devices, the impacts of tobacco harms our citizenry on a generational basis with people experimenting at even earlier ages. Because of this, the HPCA supports efforts that would create disincentives for consumers to use these products.

Accordingly, the HPCA urges your favorable consideration of this measure.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiiipca.net.



Feb. 24, 2023

Chairman of the Board

Jason Fujita

President

Zia Khan, MD

Board Members

Rick Bruno, MD, FACEP

Greg Christian

Jackie De Luz

Michael Lui, MD

Michael Rembis, FACHE

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Our Mission:

"To be a relentless force for a world of longer, healthier lives."

For more information on the AHA's educational or research programs, visit www.heart.org or contact your nearest AHA office.

Testimony supporting HB 537, HD2 "Relating to Electronic Smoking Devices"

Mahalo for this opportunity to testify on HB 537, HD2 which would establish a tax on electronic smoking devices (ESDs).

Hawaii is amid a youth epidemic concerning the use of electronic smoking devices. Hawaii has the highest rate of middle school-aged student use of those products in the nation, and the second highest high school student usage rate.

Even though e-cigarettes are often marketed as a less harmful alternative to traditional cigarettes, there's limited evidence on the long-term health impact of their use. What is known is that nicotine can have adverse health effects on kids, such as causing addiction to dangerous tobacco products, harming their brain development, increasing susceptibility to other addictions, and increasing the risk of heart disease. Recent studies have found that e-cigarettes decrease blood flow in the heart even more than traditional cigarettes and can worsen heart disease risk factors such as high cholesterol.

Several new studies published in late 2022 added new concern to ESD use and increased risk for cardiovascular health.

One study found that using pod-based electronic cigarettes may lead to exposure to volatile organic compounds (VOCs, a broad group of gases found in many common items, such as cleaning products, paint, cigarettes, vehicle exhaust, pesticides and other substances) that may negatively affect cardiovascular health in a similar manner to smoking traditional cigarettes. The study found that:

- Pod-based e-cigarette users and combustible cigarette users had 8% higher blood pressure compared to non-users.
- Participants who used pod-based e-cigarettes and people who smoked traditional cigarettes also had increased heart rates compared to non-users of any tobacco product.
- Elevated levels of VOCs in users of e-cigarettes and combustible cigarettes were associated with changes in vascular health measures. These included decreased artery dilation, which is important for circulation and vascular health.

The findings demonstrated that pod-based e-cigarette use had long- and short-term effects on the vascular system in healthy young adults, including in those who have

only used e-cigarettes and have never smoked combustible cigarettes. The results indicated that e-cigarettes release chemicals that are toxic to blood vessels, and the use of pod-based e-cigarettes may be associated with harm.

Another related study found that the cardiovascular effects of cigarettes and e-cigarettes are strikingly similar, and these harmful effects on blood vessel function are likely caused by airway irritation due to inhalation of a foreign substance, rather than a specific component of the cigarette smoke or e-cigarette vapor (aerosol). The analysis found that prolonged vaping and cigarette smoking both cause changes in the blood that affect endothelial function.

The findings suggest that vaping, although not smoking combustible cigarettes, causes changes in the blood that increase the potential for leakage in the blood vessels and that both smoking and vaping cause changes in the blood that lead to endothelial dysfunction and an increased risk of future cardiovascular events in otherwise healthy people.

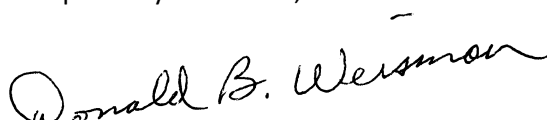
“It’s important for regulators, clinicians and the public to realize that vaping is not harmless,” said the lead researcher of the study, Matthew L. Springer, Ph.D., a professor of medicine in the division of cardiology at the University of California, San Francisco. “Smoking and vaping can have similar harmful cardiovascular effects, but each condition causes some potentially harmful effects that the other does not. These differences indicate that dual product use, meaning smoking combustible cigarettes and also using e-cigarette products, may actually be worse for vascular health than either smoking or vaping alone.”

It clearly is time that ESDs be treated as harmful to the health of their users, especially underage users. E-cigarettes are now the most popularly used tobacco product among Hawaii’s youth. According to recent Department of Health data, over 40 percent of Hawaii’s youths have tried e-cigarettes, and 30 percent are now regular users. On neighbor islands, regular use of e-cigarettes by youths tops 30 percent.

Tobacco taxes are a proven way to reduce and prevent usage of dangerous and addictive tobacco products, particularly among young people and in communities that have been aggressively targeted by tobacco marketing. Tobacco tax revenue can and should be directed towards tobacco prevention and control programs and other health programs.

We ask that you support HB 537, HD2.

Respectfully submitted,



Donald B. Weisman

Government Relations/Communications and Marketing Director



HB537 HD2 Tax e-Liquid and E-Cigarette

COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

Friday, Feb. 24, 2023: 3:30: Room 308

Hawaii Substance Abuse Coalition Supports HB537 HD2:

ALOHA CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of over 30 substance use disorder and co-occurring mental health disorder treatment and prevention agencies.

HSAC is in full support to tax, both for the economic recovery and out of major concern for our children:

- Given the Surgeon General's warning about the dangers of vaping, especially by the historic rise in its use by youth, allocating taxes can help to reduce consumption and increase revenues for economic recovery.
- The danger to children is a growing major public health concern.
- Excise taxes and the continuing increase in taxes has proven to help people quit or sustain cessation.

HSAC recommends that some of the tax could support the much needed youth tobacco prevention programs.

We appreciate the opportunity to provide testimony and are available for questions.



Hawai'i Children's Action Network Speaks! is a nonpartisan 501c4 nonprofit committed to advocating for children and their families. Our core issues are safety, health, and education.

To: Representative Yamashita, Chair
Representative Kitagawa, Vice Chair
House Committee on Finance

Re: HB537 HD2, relating to electronic smoking devices
3:30 p.m., Feb. 24, 2023

Aloha Chair Yamashita, Vice Chair Kitagawa and committee members:

On behalf of Hawai'i Children's Action Network (HCAN) Speaks!, mahalo for the opportunity to **testify in SUPPORT of House Bill 537 HD2**, relating to electronic smoking devices and **respectfully request an amendment to the current draft.**

We cannot let the epidemic that is youth vaping continue any longer. One in three high school students and one in five middle school students report "current use" of e-cigarettes. E-cigarettes are now the most popular tobacco product among youth. That's largely because these products are not subject to many of the regulations other tobacco products are subject to.

In addition to the harms e-cigarettes may have for adolescents and youths, they are also a risk to young children. The CDC reports that approximately half of all calls to poison control centers for e-cigarettes are for children 5 years of age or younger.

We have spent the last few decades eradicating cigarettes from ubiquitous use. We know what will work. Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. This measure is important in particular because it applies a meaningful tax on e-cigarettes that will increase cost, which is proven to reduce youth tobacco use.

For this bill to be fully effective, we must increase the taxation rate. **We respectfully ask the committee to include the taxation rate of 70% of the wholesale price to create parity between e-cigarettes and other tobacco products.**

Mahalo,

Ke'ōpū Reelitz
Director of Early Learning and Health Policy



February 24, 2023

Testimony on Hawai'i HB 537 — “An Act Relating to Electronic Smoking Devices”

Dear Chairs and Members of the House Committee on Finance,

My name is Elizabeth Hicks and I am the US Affairs Analyst of the consumer advocacy group Consumer Choice Center.

HB537 bill will do more harm than good if passed due to the unintended consequences that it will cause. Enacting a significant increase in taxes on vaping products will lead to much higher prices for consumers, pushing many former smokers to switch back to smoking combustible tobacco. Tragically, 1,400 Hawaiians lose their lives to smoking-related illnesses every year. Considering that [studies have shown vaping to be 95% less harmful than smoking](#), ensuring that adult consumers have access to the vaping products they prefer will ultimately lead to fewer cigarette smoking-related deaths in Hawai'i.

More than 7% of Hawaii's adult population uses vaping products, accounting for over 100,000 Hawaiians who have switched to a less risky alternative to combustible tobacco. According to data from the [Hawaii Journal of Medicine and Public Health](#), the largest demographic of Hawaiian vapers are actually 65+ years in age and started vaping as a means to quit smoking combustible cigarettes.

Implementing a 70% tax on vaping products will encourage these former smokers to switch back to smoking combustible cigarettes, and will disproportionately harm lower-income individuals throughout the state effectively robbing them of even more of their income and penalizing them for choosing a less risky and more responsible alternative to smoking combustible cigarettes. Additionally, this policy would ultimately lead to increases in smoking-related healthcare costs, which are already costing Hawaiian taxpayers \$141.7 million annually through Medicaid alone. We can expect that number to substantially increase if this bill is passed as vapers will be financially encouraged to switch back to smoking, further exacerbating smoking-related illnesses while taxpayers are expected to pick up the tab.

We know that smoking-related illnesses are very serious and can lead to cancer. On a personal note, after being around second-hand smoke most of my life, this past year I unfortunately received my own cancer diagnosis, undergoing 12 rounds of chemotherapy, 20 sessions of radiation, 9 cycles of immunotherapy and multiple surgeries - and I can assure you that I would not wish this on anyone. Embracing vaping as a harm reduction tool here in Hawai'i will help ensure that your citizens are less likely to end up in a situation similar to mine.

A 70% tax on vaping products will result in consumers being less inclined to purchase vapor products through regulated entities, and will instead be looking towards the illicit market in order to avoid the substantial price increases. This presents serious concerns for public health in Hawai'i as vapers will be purchasing unregulated products that do not necessarily



adhere to regulatory standards. Additionally, the illicit market does not abide by age restrictions therefore making it much easier for youth to acquire these products illegally.

Although this bill is certainly well-intentioned, the proposed 70% tax on vaping products is simply misguided as the unintended consequences would only exacerbate the problem Hawai'i is trying to fix, making this particular bill unviable in achieving its desired outcomes.

Our policies must be fair, just, and based on scientific evidence. I believe this body, composed of diverse legislators from the entire state, can help make that determination for the residents who depend on you to protect their consumer choice. **We would urge you to vote against HB 537.**

Thank you for your consideration.

Elizabeth Hicks
US Affairs Analyst
Consumer Choice Center
elizabeth@consumerchoicecenter.org



February 23, 2023

To: Members of the Hawaii House Finance Committee
From: Americans for Tax Reform

Dear Representative,

On behalf of Americans for Tax Reform (ATR), a non-profit organization which advocates in the interests of taxpayers and consumers throughout the United States, I urge you to reject HB 537.

This misguided legislation seeks to establish a tax rate of 70% of manufacturer list price on e-cigarettes which are a reduced harm alternatives to tobacco and have helped millions quit cigarette smoking. **The evidence clearly demonstrates that if enacted, this bill would lead to drastic increases in cigarette smoking in Hawaii, leading to a clear increase in tobacco related mortality. HB 537 would have a disastrous impact upon businesses and cost jobs. It is imperative that this proposal does not pass.**

Imposing taxes on e-cigarettes, which are shown to be 95% [less harmful](#) than cigarettes and the most effective tool for smoking cessation, is proven to drive adults to more deadly alternatives, going against every principle of sound public policy.

Research from the National Bureau of Economic Research (NBER) determined that Minnesota's tax on vaping products prevented [32,400 additional adult smokers](#) from quitting smoking.

Additionally, they found "consistent and robust evidence" that taxes on e-cigarettes increase smoking rates, decrease smoking cessation, and lead to more tobacco-related deaths.

Further, vaping taxes, as proposed in HB 537, increase smoking among adolescents. According to researcher Dr. Michael Pesko, a researcher at Georgia State University, "my scientific opinion is that raising taxes on e-cigarettes...to levels equivalent to cigarettes will increase cigarette use among all populations and cause significant public health harm." A recent [study](#) from Dr. Pesko and other researchers determined that e-cigarette taxes lead to "sizable" increases in cigarette smoking among youth. The researchers warn that the "unintended effects of ENDS taxation may more than fully offset any public health gains."

Vaping taxes also reinforce socioeconomic inequality. 72% of people who smoke cigarettes are low-income. Taxes make products less affordable, thereby decreasing access to the groups who would benefit most from switching to vaping.

Additionally, high tax rates on e-cigarettes promote a black market for the products. Multi-million-dollar crime syndicates, that **also engage in human trafficking and money laundering, flood the black market with unsafe products that produce revenue used to fund terrorism. For this reason, the US State Department has explicitly called tobacco smuggling a "[threat to national security](#)".**

Paradoxically these bans may therefore increase youth smoking in the state: By definition, criminals and smugglers are unlikely to obey laws and would not follow rigorous age-verification requirements mandated at reputable outlets.

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www.atr.org

HB 537 would take profits from small, family-owned vape shops and turn it over to criminal smugglers who would have no problem selling products to children. This bill would drive vape shops out of businesses, costing a significant number of jobs and livelihoods.

About E-Cigarettes and Vapor Products:

- Traditional combustible tobacco remains one of the leading preventable causes of death in **Hawaii. The negative health effects of combustible tobacco come from the chemicals produced in the combustion process, not the nicotine.** While highly addictive, nicotine is a relatively benign substance like caffeine and nicotine use “does not result in clinically significant short- or long-term harms”.
- Nicotine replacement therapies such as nicotine patches and gums have helped smokers quit for decades. In recent years, advancements in technology have created a more effective alternative: **vapor products and e-cigarettes. These products deliver nicotine through water vapor, mimicking the habitual nature of smoking while removing the deadly carcinogens that exist in traditional cigarettes.**
- The [CDC](#) has found that only 3.1% of youths use e-cigarettes daily, disproving the myth of an ongoing “youth vaping epidemic.”

Benefits of E-Cigarettes and Vapor Products:

- Vapor products have been [proven to be at least 95% safer](#) than combustible cigarettes. A comprehensive analysis of nicotine product harm estimates that e-cigarettes expose users to just 4% of the harm of combustible cigarettes.
- E-cigarettes are also more than [twice as effective](#) at helping smokers quit than traditional nicotine replacement therapies. According to one [study](#), a smoker attempting to quit with an e-cigarette has an estimated 323% higher chance of achieving **complete cessation** compared to someone using a traditional nicotine replacement therapy like nicotine-containing patches, gum, or mouth spray.
- The Cochrane Review, the gold standard of medical meta-analysis, has identified “high certainty evidence” that e-cigarettes are more [effective](#) than nicotine replacement therapies at helping those who smoke quit.
- Vaping has been endorsed by over 100 of the world’s leading [public health organizations](#) as safer than smoking and an effective way to help smokers quit.
- When e-cigarettes entered the market in 2003, the U.S. adult cigarette smoking rate was 21.6%. **Due to increased access to vaping, the U.S. adult smoking [rate](#) has plummeted to 13.7% as of 2018.**

- An [analysis](#) by Public Health England demonstrated just how effective vaping is in helping people quit smoking, noting that in just one year, over 50,000 British smokers, who would have continued smoking otherwise, quit smoking with vaping.
- A University of Glasgow study showed that e-cigarettes particularly [help disadvantaged](#) persons quit smoking. **HB 537 will have a tremendously negative impact on public health and would fail to decrease socioeconomic disparities by reducing adult access to products shown to improve public health.**
- Evidence demonstrates that **flavors play no role in youth uptake of vaping**. Academic studies have found that teenage non-smokers “willingness to try plain versus flavored varieties did not differ” and a mere 5% of vapers aged 14-23 reported it was flavors that drew them to e-cigarettes. National Youth Tobacco Survey results have shown [no increase in nicotine dependency](#) among youths since flavored products entered the market.
- A large-scale [analysis](#) from Georgetown University Medical Center estimates that 6.6 million American lives can be saved if a majority of cigarette smokers switched to vaping. **This would save more than 25,000 lives in Hawaii.**

For the reasons outlined above, in the interests of public health, protecting small businesses, and preventing the spread of smuggling cartels, we call upon you to **accept the science and vote against HB 537**. Tens of lives quite literally depend upon it.

Sincerely,

Tim Andrews
Director of Consumer Issues
Americans for Tax Reform



February 24, 2023

3:30 p.m.

Via Videoconference

Conference Room 308

COMMITTEE ON FINANCE

To: Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

Aloha, my name is Lisa Dau representing Keiki Injury Prevention Coalition (KIPC) which is a non-profit agency with a mission to decrease childhood injuries. **KIPC SUPPORTS HB537 HD2, RELATING TO ELECTRONIC SMOKING DEVICES.**

In Hawai'i, one in every three high school students and one in every five middle school students use e-cigarettes, also known as "vapes." E-cigarettes are now the most popular tobacco product among young people, owing in large part to the fact that they are not subject to many of the regulations that other tobacco products are. To address the continued rise in e-cigarette use among our youth, comprehensive regulation that includes taxation, licensing, and prohibiting online sales of e-cigarettes is required. Aside from regulations, it is critical to dedicate a portion of tax revenue to educational, preventative, and cessation services.

E-cigarettes are the only tobacco products that are not taxed, and taxing tobacco products and cigarettes is a tried-and-true strategy for reducing youth tobacco use and encouraging those who smoke or use tobacco products to quit. We support this bill because it establishes an e-cigarette taxation system. It is critical to impose a meaningful tax on e-cigarettes because research shows that significant price increases reduce tobacco use among youth.

KIPC supports HB537 HD2, and we ask that you pass it to protect our keiki both now and in the future.

Thank you,
Lisa Dau, RN, MBA, BSN
Injury Prevention Coordinator

Opportunity Youth Action Hawai'i

Committee: House Committee on Finance
Hearing Time: 03:30 p.m., February 24, 2023
Location: State Capitol, Conference Room 308
Re: HB537 HD2, Relating to Electronic Smoking Devices

Aloha e Chair Yamashita, and members of the Committee:

We are writing in **strong support** of HB 537, HD2 Relating to Electronic Smoking Devices.

This bill Includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of cigarette tax and tobacco tax law and repeals the electronic smoking device retailer registration unit under the department of the attorney general.

An increase in tax and regulations has been a proven method of circumventing tobacco addiction. The World Health Organization estimates that for every 10% tax increase, the overall smoking rate falls about 4%. Furthermore, **according to the World Health Organization, significantly increasing tobacco excise taxes is the single most effective and cost-effective measure for reducing tobacco use.** Early evidence suggests that taxing ESDs would have similar effects.

Research conducted by the American Heart Association has found that **Hawai'i has the highest rate of middle school-aged students' use of ESDs nationwide, and the second highest high school student usage rate.** Further research from Living Healthy Hawai'i shows that youth who use e-cigarettes are four times more likely to try regular cigarettes, and three times more likely to become cigarette smokers.

The Center for Disease Control (CDC) states that 99% of e-cigarettes sold in assessed venues contained nicotine, a substance which changes the way the brain develops, increases the risk of future addictions, and increases the risk of heart disease. ESDs come in flavors that introduce youth to nicotine and increase the likelihood of addiction - research from the CDC shows that flavored tobacco products are more addictive than regular tobacco products.

Opportunity Youth Action Hawai'i is a collaboration of organizations and individuals committed to reducing the harmful effects of a punitive incarceration system for youth; promoting equity in the justice system; and improving and increasing resources to address adolescent and young adult mental health needs. We seek to improve the continuity of programs and services for youth and young adults transitioning from minor to adult status; eliminate youth houselessness and housing market discrimination against young adults; and promote and fund more holistic and culturally-informed approaches among public/private agencies serving youth.

Please support HB 537, HD2.



Hearing on 2-24-23

Testimony in Strong Opposition to House Bill 537

Dear House FIN,

The Hawaii Smokers Alliance STRONGLY OPPOSES HB 537) relating to the ridiculous taxation and regulation on retailers, constituents, and visitors that enjoy e-cigarette.

The pernicious House Bill 537 is strongly opposed for the following reasons:

1. A 70% or similar tax rate will place local retailers at a massive disadvantage when they now have to compete with online, smuggled, or person to person transactions. The vape products have a much higher value to volume ratio than most traditional tobacco products making them highly prone to smuggling, mailing, or in person transport in luggage from the mainland. HB537 will close many a retailers' door which is what the professional anti-smoking lobbyists want since they are being paid to eliminate the competition to drug company products.
2. Apparently the 70% or yet to be determined high tax rate will be applied to products seeking FDA approval but not those who have already obtained approval. Where is the fair and equal protection under the law since the existing products were never taxed at 70% or more?
3. This bill is undoubtedly a companion bill to a flavored vapes ban. The anti-smoking lobbyists had to split it up because a prior unsuccessful bill covered too many topics at once. Combined with the flavor ban and this tax increase, local vape retailers as well as more of our rapidly disappearing civil liberties are doomed.

Respectfully request that this divisive, shameful, and bigoted bill not leave the FIN committee. Thank you for your time.

Sincerely,

Michael Zehner, Co-chair of the Hawaii Smokers Alliance.

808-952-0275. Hawaiiismokersalliance.net



TO: Chair Yamashita, Vice Chair Kitagawa, and Members of the House Committee on Finance

FROM: Ryan Kusumoto, President & CEO of Parents And Children Together (PACT)

DATE/LOCATION: February 24, 2023; 3:30am, Conference Room 308

RE: TESTIMONY IN SUPPORT OF HB 551 HD1– RELATING TO HEALTH

PACT supports HB 551 HD1, which prohibits the sale of flavored tobacco products and the mislabeling of e-liquids as nicotine free.

Founded in 1968, Parents And Children Together (PACT) is a statewide community-based organization providing a wide array of innovative and educational social services to families in need. Assisting more than 15,000 people across the state annually, PACT helps families identify, address, and successfully resolve challenges through 20 programs. Among our services are early education programs, domestic violence prevention and intervention programs, child abuse prevention and intervention programs, childhood sexual abuse supportive group services, child and adolescent behavioral health programs, sex trafficking intervention, poverty prevention and community building programs.

PACT's mission is to work together with Hawaii's children, individuals, and families to create safe and promising futures. Allowing the tobacco/e-cig industry to prey on youth does not empower youth to choose the futures they want for themselves. Currently, flavors in tobacco and e-cig products attract youth to try them and the nicotine in these products creates an addiction. Our high school youth vaping rate at over 30% is double that of the national average and it is estimated that 21,000 premature deaths from smoking will happen in the future to children alive now. (<https://www.tobaccofreekids.org/problem/toll-us/hawaii>).

Menthol flavored tobacco products must be included in this flavor ban because it is prevalent and preferred by young people. Menthol flavor masks the harsh flavor of tobacco, making it easier to continue smoking. Additionally, menthol tobacco use disproportionately impacts our Native Hawaiian and Pacific Islander communities with 78% of NHPI smokers using menthol cigarettes. (Hawai'i BRFSS 2008).

We urge you to listen to the many voices of youth weighing in on this issue and requesting your help in ending this public health crisis. By implementing this preventive health policy you will save the state millions in healthcare costs as well as lives.

Thank you for the opportunity to testify, please contact me at (808) 847-3285 or rkusumoto@pacthawaii.org if you have any questions.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: MISCELLANEOUS, New tax on electronic smoking devices

BILL NUMBER: HB 537 HD 2

INTRODUCED BY: House Committee on Judiciary & Hawaiian Affairs

EXECUTIVE SUMMARY: Includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of cigarette tax and tobacco tax law. Repeals the electronic smoking device retailer registration unit under the department of the attorney general.

SYNOPSIS: Amends section 245-1, HRS, to define "electronic smoking device" as any device that can be used to deliver aerosolized or vaporized nicotine to the person inhaling from the device, including but not limited to an e-cigarette, e-cigar, e-pipe, vape pen or e-hookah. "Electronic smoking device" includes any component, part, or accessory of the device, and any substance that may be aerosolized or vaporized by the device, whether or not the substance contains nicotine. "Electronic smoking device" does not include drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in the Federal Food, Drug, and Cosmetic Act [title 21 United States Code chapter 9].

Adds a definition of "e-liquid" as any liquid or like substance, which may or may not contain nicotine, that is designed or intended to be used in an electronic smoking device, whether or not packaged in a cartridge or other container. "E-liquid" does not include prescription drugs; cannabis for medical use pursuant to chapter 329 or manufactured cannabis products pursuant to chapter 329D; or medical devices used to aerosolize, inhale, or ingest prescription drugs, including manufactured cannabis products manufactured or distributed in accordance with section 329D-10(a), HRS.

Also amends the definition of "tobacco products" to add "(2) Any electronic smoking device or e-liquid."

Repeals part XII of chapter 28, HRS (sections 28-161 through 28-168), relating to Electronic Smoking Device Retailer Registration Unit.

EFFECTIVE DATE: January 1, 3000.

STAFF COMMENTS: The question that should be asked is the purpose of the tobacco tax. If the goal is to make people stop vaping by making it cost-prohibitive to vape, then it shouldn't be expected to raise revenue, because if people stop vaping, there will be fewer or no people paying the tax. If the goal is really to stop the behavior, why are we not banning it?

As the Foundation's previous President, Lowell Kalapa, wrote in the Tax Foundation of Hawaii's weekly commentary on October 28, 2012:

Lawmakers seem to have a simplistic reaction to solving problems the solution to which plagues their constituents – tax it.

Probably the best example is what people like to call sin taxes, those excise taxes that are levied on tobacco and alcohol products. After all, smoking causes cancer and alcohol causes all sorts of problems including driving under the influence. Lawmakers and community advocates shake their heads and push for higher tax rates, arguing that making these products more expensive will deter folks from using these products.

The problem is that lawmakers also like the revenues that are generated from the sales of these products and, in some cases, they have tried to link the use and sale of these products with noble causes such as the funding of the Cancer Research Center that is currently being built. Again, the argument is that smokers should pay for programs and projects which seek to cure the related ill which in this case is cancer caused by smoking.

The irony is that arguments to increase the tax on tobacco and, more specifically, cigarettes, is a goal of getting smokers to quit while depending on the revenues from tobacco and cigarette taxes to fund an ongoing program, in this case the Cancer Research Center. So, which is it folks, stop smokers from smoking and if successful, there won't be any revenues to fund the Cancer Research Center?

The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes are influencing smokers as tax collections on the sale of cigarettes have fallen. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases were made via mail order from exempt Indian reservation outlets while others may be what is called gray market purchases, that is from sources outside the country.

What should come as a surprise is that most of the folks who have quit are of some means as they are more likely to recognize the health hazard caused by use of this product. That means most of those who are still smoking are among the lower-income members of our community. Thus, the tax is regressive, generating less and less collections from middle and higher-income individuals.

Kalapa, "Finding the Blame for What Ails You," at <https://www.tfhawaii.org/wordpress/blog/-2012/10/finding-the-blame-for-what-ails-you/> (Oct. 28, 2012).

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: 2/23/2023

HB-537-HD-2

Submitted on: 2/23/2023 12:19:11 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Donita Garcia	Hawaii Health & Harm Reduction Center	Support	Written Testimony Only

Comments: Comprehensive regulation which includes: taxation, licensure, and prohibiting online sales of e-cigarettes is needed to address the continued increase of e-cigarette use among our youth. In addition to regulations, it is important to dedicate a portion of the collected taxes to educational, preventative and cessation services. E-cigarettes are the only tobacco products without a tax, and taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. We support this bill because it creates a taxation system for e-cigarettes: Applying a meaningful tax on e-cigarettes is important because research shows that significant price increases reduce tobacco use among youth. In Hawai‘i, one in three high school students and one in five middle school students report that they currently use e-cigarettes, or “vapes.” E-cigarettes are now the most popular tobacco product among youth – and that’s largely because these products are not subject to many of the regulations other tobacco products are subject to.



Committee on Finance

Rep. Kyle Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

Members Rep. Micah P.K. Aiu, Rep. Rachele F. Lamosao, Rep. Cory M. Chun, Rep. Dee Morikawa, Rep. Elle Cochran, Rep. Scott Y. Nishimoto, Rep. Andrew Takuya Garrett, Rep. Mahina Poepoe, Rep. Kirstin Kahaloe, Rep. Jenna Takenouchi, Rep. Darius K. Kila, Rep. David Alcos III, Rep. Bertrand Kobayashi and Rep. Gene Ward

On behalf of the Coalition for a Tobacco-Free Hawaii's Youth Council, we **support** the intent of **HB537** in taxing e-cigarettes the same as other tobacco products, but believe that additional steps need to be taken to address this issue including permitting and licensing requirements and closing the online loophole.

Today, Hawai'i is facing a youth vaping epidemic. In 2019, the most recent data from Hawai'i available, one in three high school students and one in five middle school students report "current use" of e-cigarettes. As many know, these products are harmful to youth in particular, containing toxic chemicals like nicotine and formaldehyde that destroy the developing brain. In fact, over 21,000 Hawai'i youth alive today will die from tobacco-related illness if smoking rates don't change.

But beyond numbers, countless students from across the state and nation have chronicled their experiences with e-cigarettes – whether watching their friends fall victim to the predatory marketing of the industry, seeing their school bathrooms cloud with smoke, or even reporting the struggle of recovering from nicotine addiction themselves. Students today are under siege by an industry that profits off of addiction.

A study by Frank J. Chaloupka, PhD Director of the Health Policy Center at the University of Illinois at Chicago showed that a **10% increase in price reduces sales of disposable e-cigarettes by approximately 12%**, and by about 19% for reusable e-cigarettes. Youth are even more price sensitive, which is why the Youth Council supports taxing e-cigarettes like other tobacco products.

However, it's not just youth – we have support from more than 100 organizations, many of which have also submitted testimony. Youth have presented to the majority of Oahu neighborhood boards that have passed resolutions in support, along with organizations like the Association of Hawaiian Civic Clubs, the Honolulu Youth Commission, Parents for Public Schools of Hawai'i, and many more. You can see a partial list below.

We strongly urge support of this bill. It's time to put people over boosting the coffers of Big Tobacco. It's time to protect our keiki.

PARTIAL LIST OF SUPPORTERS TO REGULATE E-CIGARETTES THE SAME AS OTHER TOBACCO PRODUCTS

HEALTH ORGANIZATIONS

'Ohana Health Plan
Adventist Health – Castle
Aloha Care
AMA/HMA Student Chapter at JABSOM
American Academy of Pediatrics – Hawaii Chapter
American Heart Association
American Lung Association
Bay Clinic Inc.
Blue Zones Project
Campaign for Tobacco-Free Kids
Coalition for a Drug-Free Hawaii
Coalition for a Tobacco-Free Hawai'i a program of Hawai'i Public Health Institute
Hamakua Kohala Health Centers
Hawaii – American Nurses Association (Hawaii-ANA)
Hawaii COPD Coalition
Hawaii Dental Hygienists' Association
Hawaii Health and Harm Reduction Center
Hawai'i Nurses' Association OPEIU Local 50
Hawaii Public Health Association
Hui No Ke Ola Pono
Hui Ola Pono (UH Public Health's Student Organization)
Kaho'omiki; Hawaii Council of Physical Activity and Nutrition
Kauai Rural Health Association
Keiki Injury Prevention Coalition
Na Lei Wili Area Health Education Center, Inc.
The Queen's Health Systems
Tobacco Prevention Project, Daniel K. Inouye College of Pharmacy
University of Hawaii Student Health Advisory Council
US COPD Coalition

Waimānalo Health Center

YOUTH AND COMMUNITY ORGANIZATIONS

After-School All-Stars Hawaii
American Youth Soccer Organization (AYSO)
Association of Hawaiian Civic Clubs
Big Island Interscholastic Federation (BIIF)
Hale 'Ōpio Kaua'i Inc.
Hawaii Children's Action Network
Hawaii Interscholastic Athletic Directors Association
Hawaii State Teachers Association (HSTA)
Hawai'i Youth Climate Coalition
Hawaii Youth Services Network
Honolulu Youth Commission
Kanu o ka 'Āina Learning Ohana (KALO)
Kauai Path Inc.
LearningBond
Pacific American Foundation
Parents for Public Schools of Hawai'i
Partners in Development Foundation
Residential Youth Services & Empowerment (RYSE)
The Friends of Kamalani and Lydgate Park
Waipahu Intermediate Youth For Safety

NEIGHBORHOOD BOARDS

Kuliouou-Kalani Iki Neighborhood Board 02
Kaimuki Neighborhood Board 04
Diamond Head Neighborhood Board 05
Palolo Neighborhood Board 06
McCully-Moilili Neighborhood Board 08
Makiki- Tantalua Neighborhood Board 10
Ala Moana/Kakaako Neighborhood Board 11
Nuuanu/Punchbowl Neighborhood Board 12
Downtown-Chinatown Neighborhood Board 13
Liliha/Puunui/Alewa Neighborhood Board 14
Aliamanu-Salt Lake Neighborhood Board 18
Aiea Neighborhood Board 20
Pearl City Neighborhood Board 21
Waipahu Neighborhood Board 22
Ewa Neighborhood Board 23
Mililani-Waipio Neighborhood Board 25
North Shore Neighborhood Board 27
Koolauloa Neighborhood Board 28

Kahaluu Neighborhood Board 29
Kaneohe Neighborhood Board 30
Kailua Neighborhood Board 31
Waimanalo Neighborhood Board 32
Mililani Mauka- Launani Valley Neighborhood Board 35
Nanakuli-Mailii Neighborhood Board 36

BUSINESSES

Country Courier, LLC
Hana Lima Physical Therapy
Home Remedies Interior Design
JCS Enterprises Inc.
Pediatric Therapies Hawaii

SCHOOLS

Damien Memorial School
Hawaii Association of Independent Schools (HAIS)
Hawaii Council of Private Schools (HCPS)
Holy Family Catholic Academy
Island Pacific Academy
Maryknoll School
Maui Preparatory Academy
Mid-Pacific Institute
Roots School
St. Andrew's Schools

HEALTH & COMMUNITY LEADERS

Kathryn Akioka, RRT / TTS
Joy Barua
Forrest Batz, PharmD
Frank Baum, MD
Deborah Bond-Upson
Dale Carstensen
Valerie Chang
Dyson Chee
Danelle Cheng
Bridgitte Daniel
May Rose Dela Cruz, DrPH
Andrew Fox, MD
Shani Gacayan

Donita Garcia
Asaka Herman
Pedro Haro, MPH
Cyd Hoffeld
Colleen Inouye, MD
Lila Johnson
Leilani Kailiawa
Lehua Kaulukukui
Ken Kozuma
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Shelly Ogata
Gregg Pacilio, PT
Matthew Prellberg
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Nathalie Razo
Keenan Reader
Crystal Robello
Kimberly Golis-Robello
Mary Santa Maria
Patty Kahanamoku-Teruya
Chien-Wen Tseng, MD
John A Hau'oli Tomoso
Jennifer Valera
Cecilia Villafuerte
Linda Weiner, MD
Matthew Wong



Date: February 24, 2023

To: Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Committee on Finance

From: Liza Ryan Gill, Campaign Manager, Campaign for Tobacco-Free Kids HI

Re: **Comments for HB537 HD2, Relating to Electronic Smoking Devices**

Hrg: February 24th, 2023 at 3:30pm

The Campaign for Tobacco-Free Kids supports parity in regulations for electronic cigarettes and traditional tobacco products. We support the taxation of these devices, as youth are extremely sensitive to price and would be less inclined to buy them if they were more expensive. It is imperative that a holistic approach be adopted to combat the health crisis of youth e-cigarette use: removing enticing flavors, taxing them like other tobacco products, and better regulation/oversight of retailers are three critical steps forward in giving our keiki an addiction-free future.

Policies that raise the tax on tobacco, limit exposure to secondhand smoke, discourage the use of tobacco by youth and increase access to cessation services for those addicted to tobacco will lead to better health outcomes and less strain on the state healthcare system. Tobacco use is the leading cause of preventable death in Hawai'i¹, claiming approximately 1,400 lives each year and costing the state \$611 million dollars in direct health care costs.²

The dramatic rise in youth e-cigarette use is alarming. Increasing the tax on tobacco, including electronic cigarettes, is a proven method to protect our youth from these deadly products. Teenagers are especially price sensitive – every 10% increase in a tobacco tax leads to a reduction in the number of kids who smoke by six to seven percent.³ An increased e-cigarette tax will stop many from becoming addicted in

¹ Campaign for Tobacco-Free Kids:

<https://tobaccofreeca.com/health/tobacco-is-the-number-one-preventable-cause-of-death/#:~:text=Tobacco%20products%20continue%20to%20be,year%20from%20tobacco%2Drelated%20diseases>.

² Campaign for Tobacco-Free Kids: <https://www.tobaccofreekids.org/problem/toll-us/california>

³ See, e.g., Chaloupka, FJ, "Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products," *Nicotine and Tobacco Research* 1(Suppl 1):S105-9, 1999; other studies at <http://www.ihrp.uic.edu/researcher/frank-j-chaloupka-phd> and <http://tobaccconomics.org/>; Tauras, J, "Public Policy and Smoking Cessation Among Young adults in the United States," *Health Policy* 6:321-32, 2004; Tauras, J, et al., "Effects of Price and Access Laws on Teenage Smoking Initiation: A National Longitudinal Analysis," National Bureau of Economic Research Working Paper 8331, June 2001, <http://www.nber.org/papers/w8331>. Chaloupka, FJ & Pacula, R, *An Examination of Gender and Race Differences in Youth Smoking Responsiveness to Price and Tobacco Control Policies*, National Bureau of Economic Research, Working Paper 6541, April 1998; Emery, S, et al., "Does Cigarette Price Influence Adolescent Experimentation?," *Journal of Health Economics* 20:261-270, 2001; Evans, W & Huang, L, *Cigarette Taxes and Teen Smoking: New Evidence from Panels of Repeated Cross-Sections*, working paper, April 15, 1998; Harris, J & Chan, S, "The Continuum-of-Addiction: Cigarette Smoking in Relation to Price Among Americans Aged 15-29," *Health Economics Letters* 2(2):3-12, February 1998, <http://www.mit.edu/people/jeffrey/HarrisChanHEL98.pdf>. HHS,

the first place and thus help them avoid the tobacco related diseases that accompany it, such as cancer, lung disease, heart disease or stroke.

While we strongly support taxation and regulation of electronic cigarettes, implementation of such policies is far smoother and enforceable if done through the already existing infrastructure for other tobacco products. By establishing the tax on e-cigarettes, lives will be saved, the economic burden as a result of tobacco use will be lessened, and revenue generated.

Mahalo,

Liza Ryan Gill, Campaign for Tobacco-Free Kids HI



Papa Ola Lokahi
Nana I Ka Pono Na Ma

894 Queen Street
Honolulu, Hawaii 96813
Phone: 808.597.6550
www.papaolalokahi.org

House Committee on Finance
Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair

Friday, February 24, 2023, 3:30 PM, Conference Room 308 via Videoconference

RE: HB 537 HD 2 – RELATING TO ELECTRONIC SMOKING DEVICES
Position: IN SUPPORT

Dear Chair Yamashita, Vice Chair Kitagawa, and Members of the Committee on Finance,

Papa Ola Lokahi testifies **IN SUPPORT** of HB 537 HD 2, which aims to establish taxes on electronic smoking devices and e-liquids and the registrations of retailers and wholesalers. Papa Ola Lōkahi supports efforts that aim to protect the health of our communities, such as limiting access to tobacco products, including electronic smoking devices and other vapor products, which are known to increase the risk of adverse health outcomes. Data from the 2019 Youth Risk Behavior Survey found that Hawai‘i has one of the nation's highest youth vaping rates, with 30.6% of high school students reporting they currently use electronic smoking products. If we are to protect the health and safety of our youth and future generations, we must continue to examine policies and take meaningful action to ensure policies are meeting the needs of our communities.

We must also examine the existing disparities and ensure policies aim to close the health disparity gap between racial groups. The 2019 Youth Tobacco Survey (YTS) found racial inequity, with 63.8% of Native Hawaiian high school youth and 37.6% of Native Hawaiian middle school youth reporting they have tried vaping. Native Hawaiian high school students reported active use of vapor products more than nearly all other racial groups in Hawai‘i, and the same survey found that Native Hawaiian high school youth report using vapor products more frequently (20+ days within the last 30 days) than their non-Native Hawaiian counterparts at 17% and 10.4%, respectively. One in three Native Hawaiian youth cites the availability of flavors as the reason they use vape products, underpinning the need for us to regulate access to these harmful products further. We must also consider that our youth’s neural development is at risk and that using tobacco products during this developmental stage increases their risk of developing a nicotine addiction.

It is evident that the use of tobacco products not only increases adverse health outcomes, but also exacerbates these outcomes among vulnerable groups and deepens health disparities. Therefore, establishing policies such as these is necessary to curb access to these harmful products.

Mahalo piha for the opportunity to provide testimony in **STRONG SUPPORT** of this critical issue and for helping to safeguard the health and safety of our keiki and communities.

Thank you for the opportunity to testify in **SUPPORT** of **HB 537 HD 2**.

Papa Ola Lōkahi, the Native Hawaiian Health Board, authorized by the federal Native Hawaiian Health Care Improvement Act, is charged with raising the health status of Native Hawaiians to the highest possible level, which we achieve through strategic partnerships, programs, and public policy.



Hawaii Dental Association

Committee: House Committee on Finance
Time/Date: 3:30 p.m., February 24, 2023
Location: State Capitol Room 308 and via Videoconference
Re: HB 537, HD2, Relating to Electronic Smoking Devices

Aloha Chair Yamashita, Vice Chair Kitagawa and members of the committee!

The Hawaii Dental Association (HDA) is a professional association comprised of approximately 950-member dentists. **We are in support of HB 537, HD2**, relating to electronic smoking devices. This bill establishes a tax equal based on the manufacturer's list price for electronic smoking devices and e-liquid products, among other provisions.

HDA expresses its opposition to use of oral tobacco, including vaping nicotine from e-cigarettes, and urges people using any type of tobacco product to quit. Tobacco use is causally associated with higher rates of tooth decay, receding gums, periodontal disease, mucosal lesions, bone damage, tooth loss, jawbone loss and more. That is why the Hawaii Dental Association, like the American Dental Association, is working with dentists, educators, public health officials, lawmakers, and the public to prevent and, hopefully, eliminate the use of all tobacco products. HDA supports regulatory and legislative action to ban the sale and distribution of all e-cigarette and vaping products, with the exception of those approved by the FDA for tobacco cessation purposes and made available by prescription only. We will continue to support legislation aimed at enhancing and promoting oral health.

HDA is a statewide membership organization representing dentists practicing in Hawaii and licensed by the State of Hawaii's Board of Dentistry. HDA members are committed to protecting the oral health and well-being of the people of Hawaii, from keiki to kupuna and everyone in between.

Mahalo for the opportunity to testify in support of HB 537, HD2.

**Testimony before the Hawaii House Committee on Finance
Regarding Imposing an Excise Tax on Vapor Products
Lindsey Stroud, Director, Consumer Center
Taxpayers Protection Alliance
February 24, 2023**

Chairman Yamashita, Vice-Chairwoman Kitagawa, and Members of the Committee:

Thank you for your time today to discuss imposing a tax on vapor products in Hawaii.

My name is Lindsey Stroud and I'm Director of the Consumer Center at the Taxpayers Protection Alliance (TPA). TPA is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy. TPA's Consumer Center focuses on providing up-to-date information on adult access to goods including alcohol, tobacco and vapor products, as well as regulatory policies that affect adult access to other consumer products, including harm reduction, technology, innovation, antitrust and privacy.

While addressing youth use of age-restricted products is laudable, lawmakers must refrain from imposing excise taxes products that adults responsibly consume, and which may help adults quit smoking. Youth use of traditional tobacco products has reached record lows, while youth vaping has halved in recent years. Excessive excise taxes will both confuse consumers over the harm of these products as well as force them to seek out illicit products from clandestine sources, which may cause more harm.

Key Points

- Youth vaping has decreased by 53 percent between 2019 and 2022, while youth use of traditional tobacco products is at record lows.
- In 2022, among middle and high school students that had used a tobacco or vape product on at least one occasion in the 30 days prior, 9.4 percent reported using e-cigarettes, 1.9 percent had used cigars, 1.6 percent has used combustible cigarettes and 1.3 percent had used smokeless tobacco products.
- According to the Center for Disease Control and Prevention's Youth Risk Behavior Survey, vaping among U.S. high school students decreased by 45 percent, from 32.7 percent in 2019 to 18 percent in 2021.
- In 2021, 10.1 percent of Hawaii adults were currently smoking cigarettes. More than one-fifth (21.2 percent) of adults who earned \$25,000 were currently smoking in 2021, compared to only 7.3 percent of adults earning \$50,000 or more.
- In 2021, 7.3 percent of Hawaii adults were currently using e-cigarettes, which was a 55.3 percent increase from 2017.

- In 2021, among all Hawaii adults, 24.5 percent of 18- to 24-year-olds, 11.2 percent of 25–44-year-olds, 2.4 percent of 55–64-year-olds, and 0.7 percent of adults aged 65 years or older were currently using e-cigarettes.
- Among adults earning \$15,000 or less, 7.9 percent reported current e-cigarette use, compared to 4.8 percent who reported earning \$50,000 or more.
- Cigarette excise taxes in Hawaii disproportionately impact low-income, lower educated adults, while failing to significantly reduce smoking rates among that class.
- The percentage of Hawaii adults earning \$25,000 or less that were smoking decreased by 30.3 percent between 2011 and 2021, while the percent of adults earning \$50,000 or more that were smoking decreased by 36 percent during the same period.
- Among Hawaiians who did not graduate high school, smoking rates decreased by 38.1 percent, yet rates among adults with a college degree decreased by 42.6 percent.
- In 2021, 6.1 percent of adults reported past-month e-cigarette use, which was a 27.1 percent increase from 2017.
- Between 2007 and 2018, smoking rates among Hawaii adults aged 18 to 24 years old declined by 39.6 percent. Since 2018, young adult smoking rates have decreased another 47.3 percent, with average annual declines of 16.8 percent.
- Hawaii’s vaping industry generated \$54.7 million in economic activity in 2021 while generating 190 direct vaping-related jobs and contributed more than \$4.6 million in state taxes.
- Unfortunately, anti-vaping efforts have reduced the industry’s economic impact. The number of employees decreased by 57.9 percent from 451 employees in 2018, state tax collections were down 51.2 percent from 2018’s \$9.5 million, and overall economic activity was down by 45.7 percent from \$100.7 million in 2018.
- An illicit market is thriving on internet marketplaces from New York City to California where certain e-cigarette products are banned.
- Hawaii woefully underfunds programs to prevent youth use of tobacco and/or vapor products and help adults quit smoking, while simultaneously receiving millions of dollars from the pockets of the adults who smoke. In 2021, for every \$1 the state received in tobacco monies, it spent only \$0.06 on tobacco control efforts.

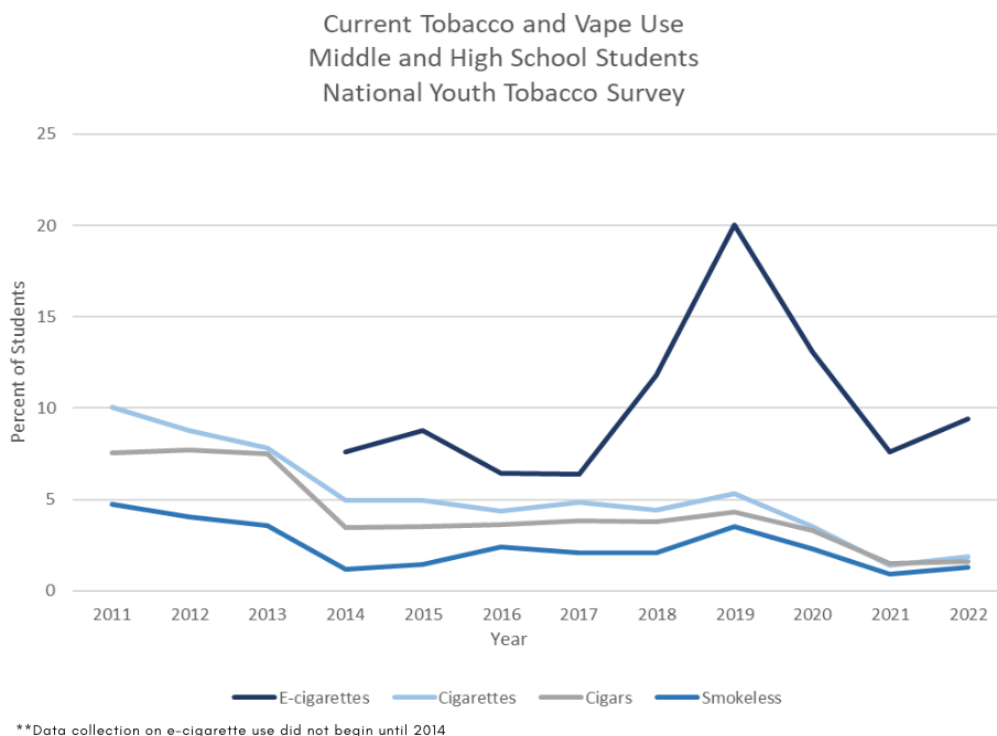
Youth Tobacco and Vapor Product Use

Despite headlines, youth use of traditional tobacco products is at record lows, while youth e-cigarette use peaked in 2019 and has steadily declined in the years since.

In 2022, according to the National Youth Tobacco Survey (NYTS), among middle and high school students that had reported current tobacco product use (defined as having used the product on at least one occasion in the 30 days prior), 1.9 percent had used cigars, 1.6 percent had used combustible cigarettes and 1.3 percent had used smokeless tobacco products.¹ These are some of the lowest levels recorded. In fact, in the 10 years between 2012 and 2022, current cigar use

declined by 75.3 percent, cigarette use by 81.7 percent and smokeless tobacco use by 67.9 percent. These declines have come all the while flavored tobacco and vapor products remain available for sale.

Regarding vaping use (according to the NYTS), vaping seems to have peaked in 2019 when 20 percent of middle and high school students had used an e-cigarette in the 30 days prior to the survey. In 2022, only 9.4 percent of U.S. youth were currently vaping, a 53 percent decrease from 2019's levels.



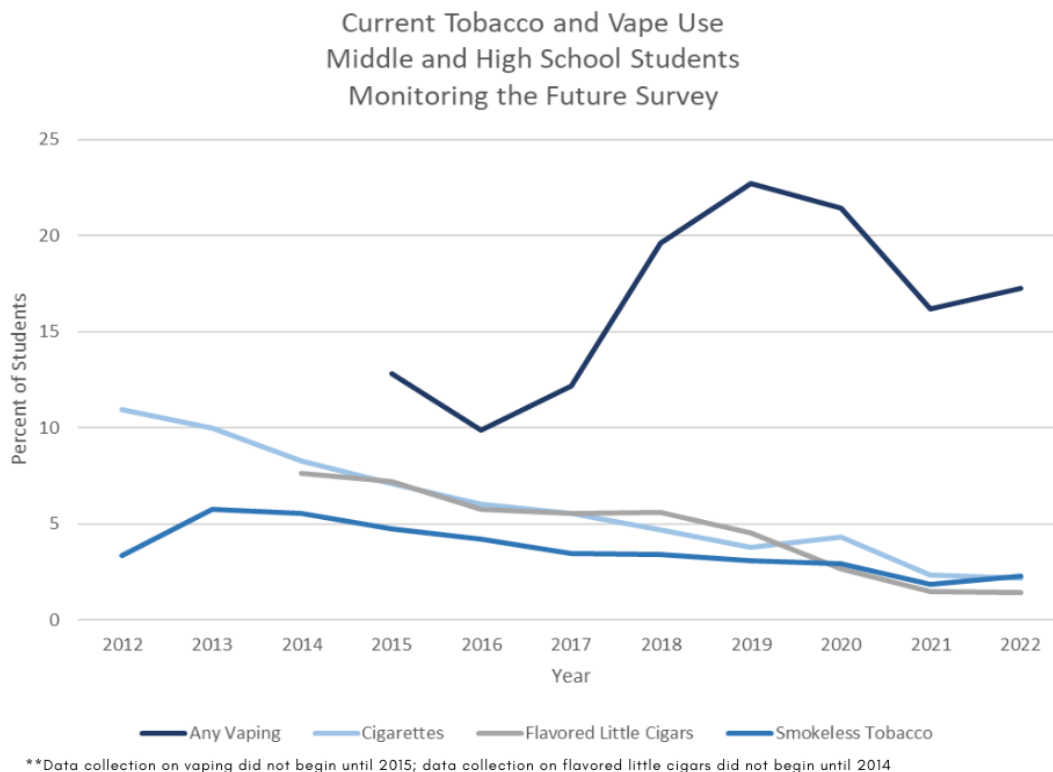
Other national survey data has found significant declines in youth use of tobacco and vapor products. In 2022, according to the Monitoring the Future Survey (MTFS), among middle and high school students, 2.3 percent reported currently using smokeless tobacco, 2.2 percent reported current combustible cigarette use, and 1.4 percent reported using flavored little cigars.² Again, these are some of the lowest levels recorded. In 2012, more than one in ten U.S. youth (11 percent) reported current cigarette use. In ten years, smoking rates among U.S. youth declined by 78.7 percent. During the same period smokeless tobacco use among youth decreased by 59.6 percent. Between 2014 and 2022, the percent of youth reporting current use of flavored cigars declined by 81.2 percent.

Similar to the NYTS, the MTFS also found that youth vaping peaked in 2019, when 22.7 percent of U.S. youth reported “any vaping” – i.e., using a vapor product to vape either nicotine or other

substances. Between 2019 and 2022, the percent of youths reporting any vaping decreased by 23.9 percent.

The CDC continues to delay publishing state-specific data from the 2021 Youth Risk Behavior Survey (YRBS). However, nationally, only 18 percent of high school students reported using vapor products in the 30 days prior to the survey in 2021.³ This is a 45 percent decrease from 2019 when 32.7 percent of high schoolers reported current vapor product use.

As the YRBS is an aggregate of all state data, Hawaii lawmakers should refrain from prohibitionist policies to address outdated figures on youth vapor product use in the state.



Adult Tobacco and Vape Use

In 2021, 10.1 percent of adults in Hawaii were currently using cigarettes.⁴ Smoking rates were highest among 45- to 64-year-old adults, with 12.1 percent reporting current use.

In Hawaii, Native Hawaiian and/or Pacific Islander adults reported smoking at a greater percentage of their identified race at 17.5 percent. This is compared to 15.6 percent of Hispanic

adults, 13.2 percent of Multiracial adults, 7.8 percent of White adults, and 6.8 percent of Asian adults.

Yet, Asian adults made up a significantly larger percentage of Hawaii's total adult smoking population. In 2021, Asian adults accounted for 27.7 percent of the state's current smoking population, compared to Native Hawaiian and/or Pacific Islander adults, who made up 18.6 percent of the current adult smoking population. White adults accounted for 18.9 percent of the state's current adult smoking population, Multiracial, non-Hispanic adults accounted for 20.2 percent, and Hispanic adults made up 14.5 percent of Hawaii's adult smoking population in 2021.

The CDC provides data on adult e-cigarette use for only 2016, 2017, and 2021.

In 2021, among all Hawaii adults, 7.3 percent were currently using e-cigarettes. This is a 55.3 percent increase from 2017 when 4.7 percent of Hawaiian adults were current e-cigarette users.

In 2021, among all Hawaii adults, 24.5 percent of 18- to 24-year-olds, 11.2 percent of 25–44-year-olds, 2.4 percent of 55–64-year-olds, and 0.7 percent of adults aged 65 years or older were currently using e-cigarettes.

Among adults earning \$15,000 or less, 7.9 percent reported current e-cigarette use, compared to 4.8 percent who reported earning \$50,000 or more.

In Hawaii, 10.7 percent of Multiracial, non-Hispanic adults, 10.5 percent of Native Hawaiian and/or Pacific Islander adults, 10.2 percent of Hispanic adults, 7.4 percent of Black adults, 6.1 percent of White adults, and 5.1 percent of Asian adults were currently using e-cigarettes in 2021.

Excise Taxes Burden Low Income Hawaiian

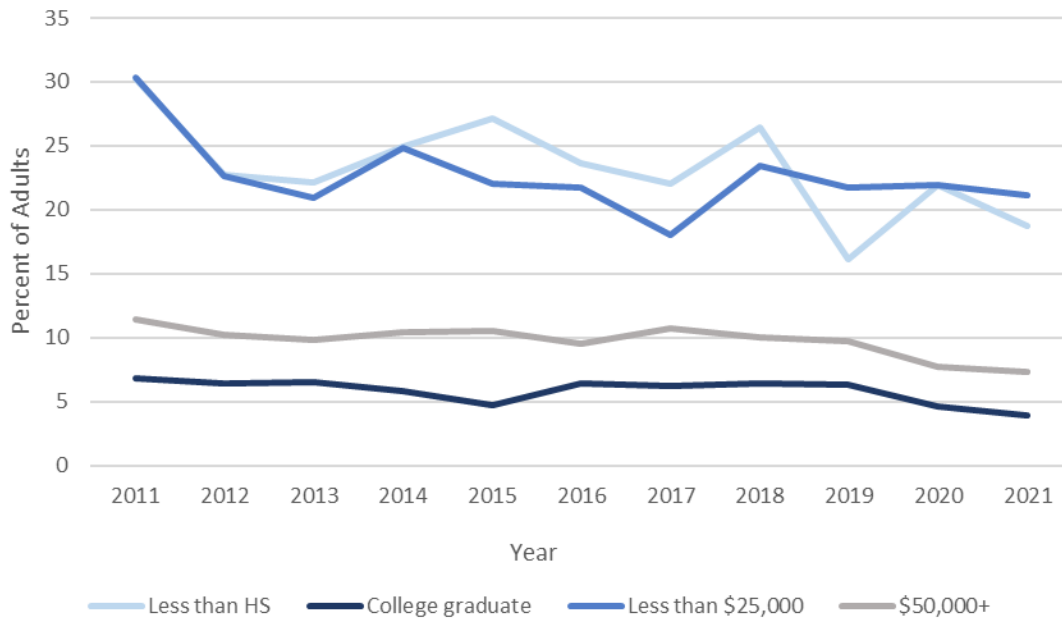
In 2021, among all Hawaiian adults earning \$25,000 annually or less in 2021, more than one fifth (21.2 percent) reported currently smoking, compared to only 7.3 percent of adults who earned \$50,000 or more per year. Similarly, among adults earning \$15,000 or less, 7.9 percent reported current e-cigarette use in 2021, compared to 4.8 percent who reported earning \$50,000 or more.

Hawaii last increased its state cigarette excise tax in 2011 from \$3.00 to \$3.20-per-pack. Lawmakers often justify excise taxes on cigarettes to deter persons from using combustible cigarettes, yet, such taxes disproportionately harm lower income, lower educated adults, as well as fail to significantly reduce smoking rates among those persons.

The number of percent of Hawaii adults earning \$25,000 or less that were smoking decreased by 30.3 percent between 2011 and 2021, while the percent of adults earning \$50,000 or more that were smoking decreased by 36 percent during the same period. Among Hawaiians who did not

graduate high school, smoking rates decreased by 38.1 percent, yet rates among adults with a college degree decreased by 42.6 percent.

Adult Smoking Rates by Education and Income



Young Adult Smoking Rates

As e-cigarettes have disrupted the traditional tobacco market, policymakers have shifted their attention towards youth use and subsequent smoking initiation. Despite the rhetoric, the introduction of e-cigarettes has not led to increases in young adult cigarette smoking, but rather, correlates with significant declines.

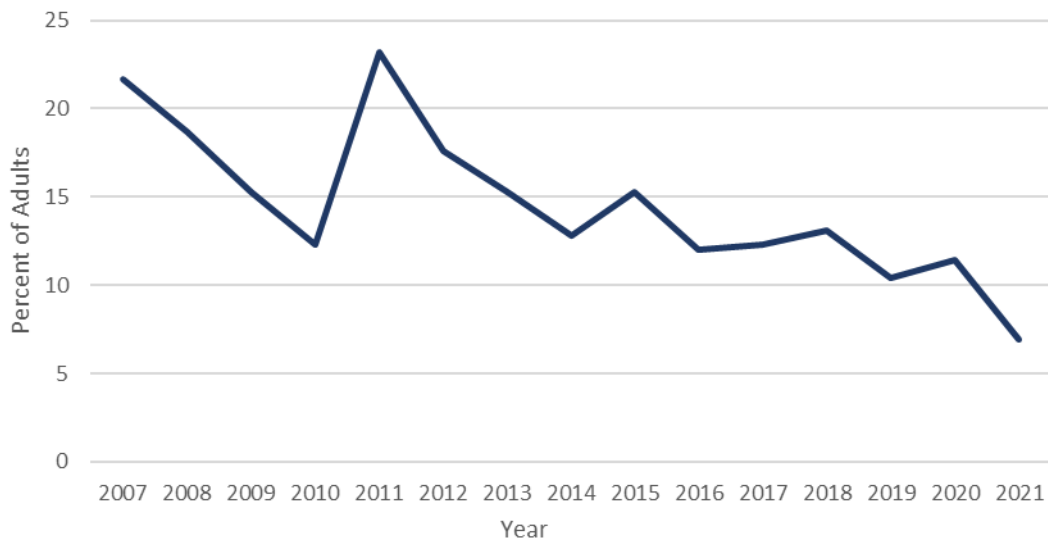
E-cigarettes first came to U.S. market in 2007, when 21.7 percent of Hawaiians aged 18 to 24 years old were currently smoking. In 2018, public health purported to a so-called “youth vaping epidemic,” when 13.1 percent of young adults in the Aloha State were smoking. Between 2007 and 2018, young adult smoking rates declined by 39.6 percent. Further, since 2018, young adult smoking rates have decreased another 47.3 percent, with average annual declines of 16.8 percent.

Though data is limited to only three years, increases in vaping correlate with decreases in smoking.

In 2017, (among 18- to 24-year-olds) 12.3 percent and 12.2 percent were currently using combustible cigarettes and e-cigarettes, respectively. Between 2017 and 2021, current cigarette use among young adults decreased by 43.9 percent while vapor product use increased by 100.8 percent.

Given the epic lows in young adult smoking rates, lawmakers must refrain from policies that restrict access to alternatives to smoking.

Current Smoking Rates Among Hawaii Adults
Aged 18 to 24 Years Old



Economic Impact of Vaping in Hawaii

In 2021, according to the analysis by the Vapor Technology Association, the industry created 190 direct vaping-related jobs in Hawaii. These jobs generated more than \$8.2 million in wages.⁵ Moreover, the industry has created hundreds of secondary jobs in the Aloha State, bringing the total economic impact in 2021 to \$54.7 million. In the same year, Hawaii received more than \$4.6 million in state taxes attributable to the vaping industry.

Unfortunately, efforts by anti-vaping organizations and policymakers have negatively affected vape shops in the Aloha State. The number of employees has decreased by 57.9 percent from 451 in 2018 to 190 in 2021, representing a loss of \$9.9 million in wages.⁶ Further, state tax collections in 2021 were down 51.2 percent from 2018's level of \$9.5 million. Overall, the economic output from the vaping industry in Hawaii was reduced from \$100.7 million in 2018 to \$54.7 million in 2021, a 45.7 percent decrease.

In Thriving Illicit Market, Unregulated Products Harm Users

Excessive taxes on vapor products only punish responsible retailers while incentivizing clandestine actors to engage in new illicit marketplaces. Unregulated tobacco and vapor products pose a risk to all consumers, both youth and adults alike. Nonetheless, consumers have indicated they would seek out illicit products should their product of choice be banned, and there are already rogue sellers using online marketplaces to sell these unregulated products.

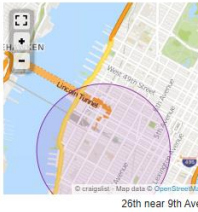
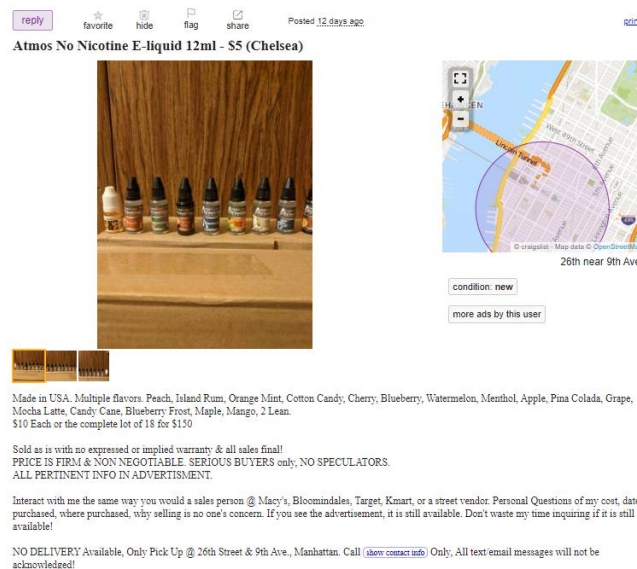
TAXPAYERS PROTECTION ALLIANCE

One study examining a possible menthol ban found that at least 25 percent would “find a way to buy a menthol brand.”⁷ An experiment which examined current e-cigarette users under a hypothetical flavor ban found that banning “vaping products from the marketplace may shift preference towards purchasing vaping products in the illegal marketplace.”⁸ An international survey of vapers from Canada, the United Kingdom and the United States found that over one-fourth (28.3 percent) “would find a way to get their banned flavor(s).”⁹

There is already a booming marketplace online. The examples are relatively easy to find. A Craigslist ad in New York City offers for sale a variety of flavored e-liquid products, from peach to cotton candy.¹⁰ The seller informs the potential customer to “[i]nteract with [them] the same way [one] would a sales person.” Alarming, this seller is not interested in providing potential customers with information regarding the products that they may be consuming, noting that any questions about their “cost, date purchased, where purchased, why selling is no one’s concern.” In California, which recently enacted a ban on flavored tobacco and vapor products, “menthol man” is offering to deliver menthol cigarettes for \$15 a pack.¹¹

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Atmos No Nicotine E-liquid 12ml - \$5 (Chelsea)



condition: new
more ads by this user

Made in USA. Multiple flavors: Peach, Island Rum, Orange Mint, Cotton Candy, Cherry, Blueberry, Watermelon, Menthol, Apple, Pina Colada, Grape, Mocha Latte, Candy Cane, Blueberry Frost, Maple, Mango, 2 Lean.
\$10 Each or the complete lot of 18 for \$150

Sold as is with no expressed or implied warranty & all sales final!
PRICE IS FIRM & NON NEGOTIABLE. SERIOUS BUYERS only, NO SPECULATORS.
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Interact with me the same way you would a sales person @ Macy's, Bloomingdales, Target, Kmart, or a street vendor. Personal Questions of my cost, date purchased, where purchased, why selling is no one's concern. If you see the advertisement, it is still available. Don't waste my time inquiring if it is still available!

NO DELIVERY Available, Only Pick Up @ 26th Street & 9th Ave., Manhattan. Call [user contact info](#) Only, All text email messages will not be acknowledged!

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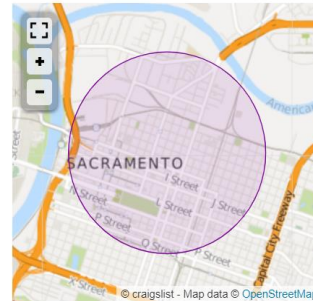
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menthol man delivery service (Sacramento)

I have all sorts of marbrol menthol, 15 a pack will deliver for purchases over 10 packs will trade for items of value also have puff bars disposable vapes.

- do NOT contact me with unsolicited services or offers



delivery available

There is also an even larger international market of counterfeit vapor products, with officials in numerous countries attempting to stem their flow.

In January 2021, the FDA worked with other federal agencies and seized 42 shipments of counterfeit disposable vapor products from China.¹² In March 2021, Customs and Border Protection officers in Chicago seized \$1.5 million in counterfeit vapes.¹³

In 2022, officials in Australia, China, Singapore and the United Kingdom have all reported massive seizures of counterfeit vapor products.^{14 15 16 17} The illicit products are so prevalent that a vapor product company has been actively working with government officials in China and has successfully shut down more than 20 factories manufacturing counterfeit vapes.¹⁸

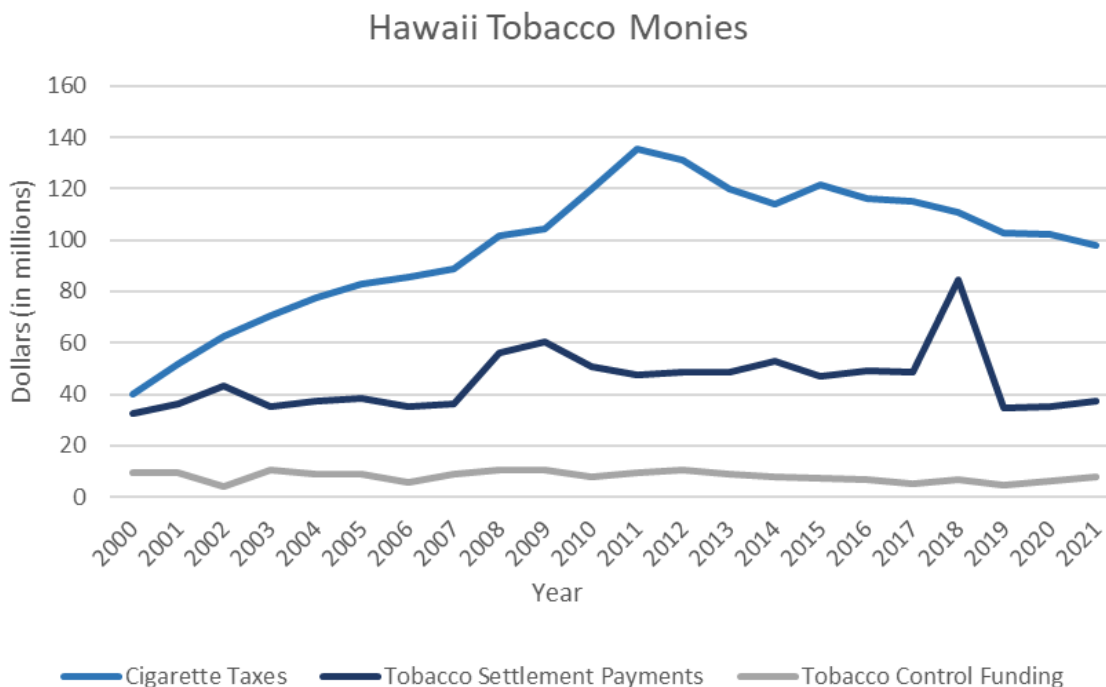
Tobacco Monies

Each year, states receive millions of dollars borne out of the lungs of persons who smoke. This revenue includes excise cigarette taxes and settlement payments. Yet, each year, states spend miniscule amounts of tobacco-related monies on programs to help adults quit smoking and prevent youth use.

In 2021, the Aloha State collected nearly \$98.1 million in state excise tax revenue from combustible cigarettes.¹⁹ This was a 4.2 percent decline from 2020's \$102.4 million. Between 2001 and 2021, Hawaii collected more than \$2.1 billion in cigarette taxes.

Since 2000, Hawaii has collected annual payments from tobacco manufacturers based on the percentage of cigarettes and tobacco products sold in the state in that year. Hawaii collected \$37.5 million in settlement payments in 2021, a 6.2 percent increase from 2020's \$35.3 million.²⁰ Since 2000, the Aloha State collected nearly \$997 million in tobacco settlement payments.

While Hawaii collected an estimated \$135.6 million in tobacco-related monies in 2021, the state allocated only \$7.9 million in state funding towards tobacco control programs, including cessation, education, and youth prevention efforts, which was a 23.4 percent increase in funding from 2020 levels.²¹ This amounts to 8.1 percent of taxes and 21.1 percent of settlement payments. In 2021, for every \$1 the state received in tobacco monies, it spent only \$0.06 on tobacco control efforts.



Conclusion

Lawmakers must refrain from excessive excise taxes that will only drive adult consumers to an underground market, exposing users to possibly harmful, unregulated products. Given the significant reductions in youth use of e-cigarettes, excise taxes are not necessary to deter youth use. Rather, policymakers should use more of the already-existing monies derived from cigarettes to prevent youth use and help adults quit.

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- ³ Centers for Disease Control and Prevention, “Youth Risk Behavior Survey Data Summary & Trends Report,” February 13, 2023, https://www.cdc.gov/healthyyouth/data/yrbs/pdf/YRBS_Data-Summary-Trends_Report2023_508.pdf.
- ⁴ Centers for Disease Control and Prevention, “Behavioral Risk Factor Surveillance System,” 2022, <https://www.cdc.gov/brfss/brfssprevalence/>. Accessed December 2022.
- ⁵ Vapor Technology Association, “The Economic Impact of the Vapor Industry Hawaii,” 2021, <https://vta.guerrillaeconomics.net/reports/23871981-1df9-4325-9918-30adb9085a2?>.
- ⁶ Vapor Technology Association, “The Economic Impact of the Vapor Industry Hawaii,” 2018, <https://vta.guerrillaeconomics.net/reports/9aa96bb8-b7c8-4100-9611-f0acc6612e31?>.
- ⁷ Richard J. O’Connor *et al.*, “What would menthol smokers do if menthol in cigarettes were banned? Behavioral intentions and simulated demand,” *Addiction*, April 4, 2012, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3370153/>.
- ⁸ Roberta Freitas-Lemos *et al.*, “The Illegal Experimental Tobacco Marketplace I: Effects of Vaping Product Bans,” *Nicotine & Tobacco Research*, October 23, 2021, <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC8403238/>.
- ⁹ Shannon Gravely *et al.*, “Responses to potential nicotine vaping product flavor restrictions among regular vapers using non-tobacco flavors: Findings from the 2020 ITC Smoking and Vaping Survey in Canada, England and the United States,” *Addictive Behaviors*, October 14, 2021, <https://pubmed.ncbi.nlm.nih.gov/34695685/>.
- ¹⁰ Craigslist, “Atmos No Nicotine E-liquid 12ml - \$5 (Chelsea),” <https://web.archive.org/web/20230125180105/https://newyork.craigslist.org/mnh/for/d/new-york-atmos-no-nicotine-liquid-12ml/7577982709.html>. Accessed January 2023.
- ¹¹ Craigslist, “menthol man delivery service (Sacramento),” <https://web.archive.org/web/20230125181307/https://sacramento.craigslist.org/bar/d/sacramento-menthol-man-delivery-service/7577129096.html>. Accessed January 2023.
- ¹² U.S. Food and Drug Administration, “CBP, FDA Seize Counterfeit, Unauthorized E-Cigarettes,” January 13, 2021, <https://www.fda.gov/news-events/press-announcements/cbp-fda-seize-counterfeit-unauthorized-e-cigarettes>.
- ¹³ U.S. Customs and Border Protection, “CBP Officers in Chicago Capture \$1.5 Million in Counterfeit Vaping Pens,” March 11, 2021, <https://www.cbp.gov/newsroom/local-media-release/cbp-officers-chicago-capture-15-million-counterfeit-vaping-pens>.
- ¹⁴ Mary Ward, “More than \$2 million worth of vapes seized in state health crackdown,” *The Sydney Morning Herald*, February 14, 2022, <https://www.smh.com.au/national/nsw/more-than-2-million-worth-of-vapes-seized-in-state-health-crackdown-20220128-p59s0m.html>.
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- ¹⁶ Vapor Voice, “Singapore Seizes Nearly \$1 Million in Illegal Vapes,” June 2, 2022, https://vaporvoice.net/2022/06/02/singapore-seizes-nearly-1-million-in-illegal-vapes/?utm_source=rss&utm_medium=rss&utm_campaign=singapore-seizes-nearly-1-million-in-illegal-vapes.
- ¹⁷ Charlotte Lillywhite, “Massive £100k shipment of dodgy vapes seized near Heathrow Airport,” *MyLondon*, August 9, 2022, <https://www.mylondon.news/news/west-london-news/massive-100k-shipment-dodgy-vapes-24708471>.
- ¹⁸ Kiran Paul, “Elf Bar helps close 20 counterfeit factories in China, seizing million fake vapes,” *Asian Trader*, July 15, 2022, <https://www.asiantrader.biz/elf-bar-helps-close-down-20-counterfeit-factories-in-china-seizing-over-a-million-fakes/>.
- ¹⁹ Orzechowski and Walker, “The Tax Burden on Tobacco Historical Compilation Volume 56, 2021. Print.
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Tobacco & Vaping 101: Hawaii 2023

Lawmakers are often bombarded with misinformation on the products used by adults in their state. This annual analysis provides up-to-date data on the adults who use cigarettes and e-cigarette products in Hawaii, youth use, impacts of e-cigarettes and analyses of existing tobacco monies.

Key Points:

- In 2021, 10.1 percent of adults were currently smoking in Hawaii. This is a 12.9 percent decrease from 2020.
- In 2021, among all Hawaii adults, 56.9 percent of 18- to 24-year-olds, 11.8 percent of 25–44-year-olds, 12.1 percent of 45–64-year-olds, and seven percent of adults aged 65 years or older were currently smoking combustible cigarettes.
- Among all adults earning \$25,000 or less in 2021, 21.2 percent were current smoking compared to only 7.3 percent of adults earning \$50,000 or more.
- Among all smoking adults in 2021 in Hawaii, 27.7 percent were Asian, 20.2 percent were Multiracial, 18.9 percent were White, non-Hispanic, 18.6 percent were Native Hawaiian and/or Pacific Islander, and 14.5 percent were Hispanic.
- Cigarette excise taxes in Hawaii disproportionately impact low-income persons, while failing to significantly reduce smoking rates among that class.
- The percentage of Hawaii adults earning \$25,000 or less that were smoking decreased by 30.3 percent between 2011 and 2021, while the percent of adults earning \$50,000 or more that were smoking decreased by 36 percent during the same period.
- Among Hawaiians who did not graduate high school, smoking rates decreased by 38.1 percent, yet rates among adults with a college degree decreased by 42.6 percent.
- In 2021, 6.1 percent of adults reported past-month e-cigarette use, which was a 27.1 percent increase from 2017.
- Youth vaping seems to have peaked in 2019, when 20 percent of youth reported current e-cigarette use. Between 2019 and 2022, current e-cigarette use declined by 53 percent.
- Traditional tobacco use among youth is at record lows. In 2022, only 1.9 percent of U.S. youth reported current cigar use, 1.6 percent reported current combustible cigarette use and 1.3 percent reported using smokeless tobacco products.
- The introduction of e-cigarettes has not led to increases in cigarette smoking, but rather, correlates with significant declines in smoking rates among young adults.
- Between 2007 and 2018, smoking rates among Hawaii adults aged 18 to 24 years old declined by 39.6 percent. Since 2018, young adult smoking rates have decreased another 47.3 percent, with average annual declines of 16.8 percent.
- Hawaii woefully underfunds programs to prevent youth use of tobacco and/or vapor products and help adults quit smoking, while simultaneously receiving millions of dollars from the pockets of the adults who smoke. In 2021, for every \$1 the state received in tobacco monies, it spent only \$0.06 on tobacco control efforts.

Tobacco & Vaping 101: Hawaii 2023

Adult Combustible Cigarette Use

In 2021, according to data from the annual Behavioral Risk Factor Surveillance System survey (BRFSS) conducted by the Centers for Disease Control and Prevention, 10.1 percent of Hawaiians were currently smoking, amounting to nearly 114,852 adults. This is a 12.9 percent decrease from 2020 when 11.6 percent reported current cigarette use. In 2021, 6.8 percent of Hawaiian adults reported smoking every day.

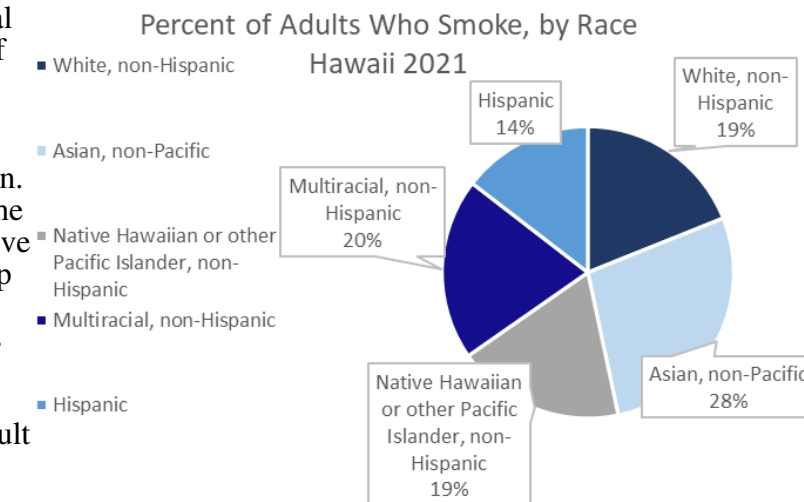
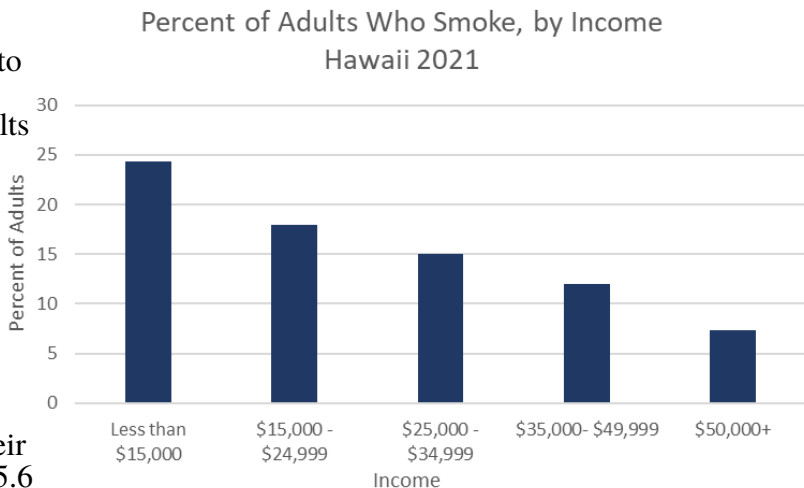
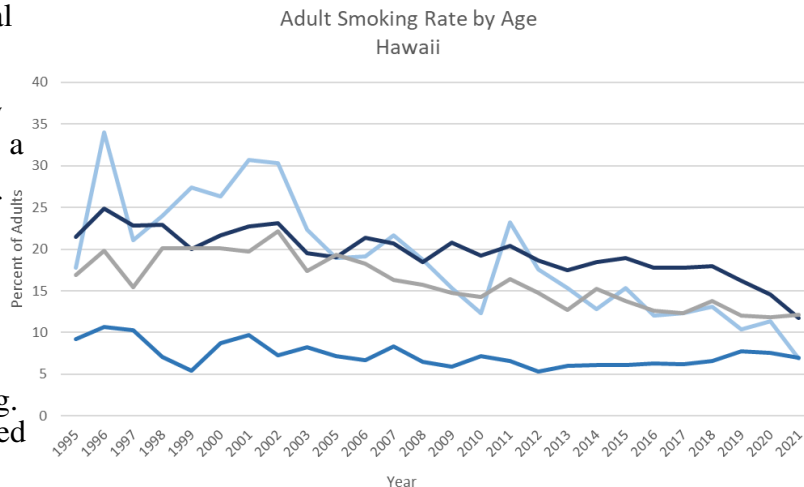
Smoking rates in the Aloha State have significantly declined since 1995 when the BRFSS Aloha began reporting combustible cigarette use. That year, 17.8 percent of Hawaii adults were then-currently smoking. Between 1995 and 2021, smoking rates have decreased by 43.3 percent with average annual decreases of 5.8 percent.

In 2021, among all Hawaii adults, 6.9 percent of 18- to 24-year-olds, 11.8 percent of 25–44-year-olds, 12.1 percent of 45–64-year-olds, and seven percent of adults aged 65 years or older were currently smoking combustible cigarettes.

Among all adults earning \$25,000 annually or less in 2021, more than one fifth (21.2 percent) reported currently smoking, compared to only 7.3 percent of adults who earned \$50,000 or more per year.

In Hawaii, Native Hawaiian and/or Pacific Islander adults reported smoking at a greater percentage of their identified race at 17.5 percent. This is compared to 15.6 percent of Hispanic adults, 13.2 percent of Multiracial adults, 7.8 percent of White adults, and 6.8 percent of Asian adults.

Yet, Asian adults made up a significantly larger percentage of Hawaii's total adult smoking population. In 2021, Asian adults accounted for 27.7 percent of the state's current smoking population, compared to Native Hawaiian and/or Pacific Islander adults, who made up 18.6 percent of the current adult smoking population. White adults accounted for 18.9 percent of the state's current adult smoking population, Multiracial, non-Hispanic adults accounted for 20.2 percent, and Hispanic adults made up 14.5 percent of Hawaii's adult smoking population in 2021.



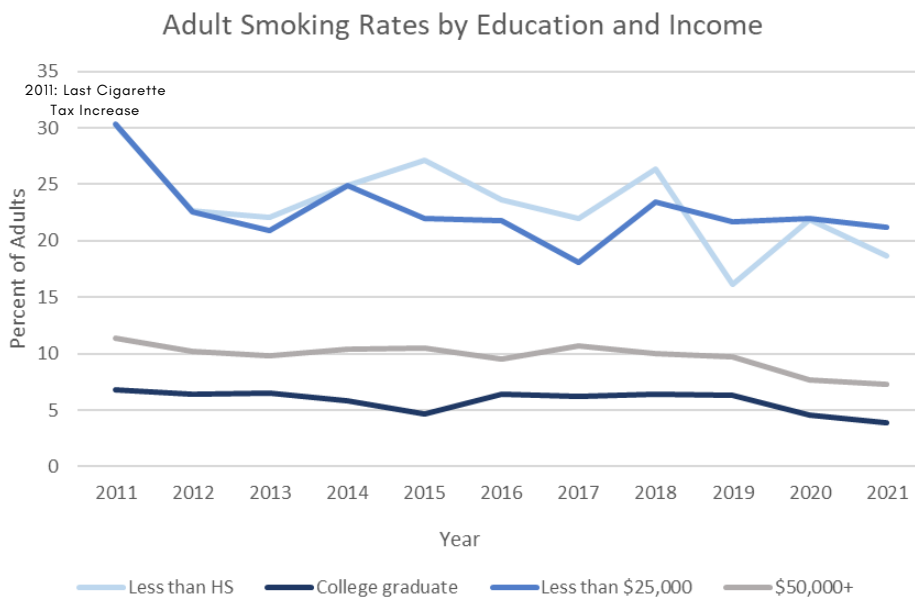
Tobacco & Vaping 101: Hawaii 2023

Effects of Cigarette Taxes

Hawaii last increased its state cigarette excise tax in 2011 from \$3.00 to \$3.20-per-pack. Lawmakers often justify excise taxes on cigarettes to deter persons from using combustible cigarettes, yet, such taxes disproportionately harm lower income, lower educated adults, as well as fail to significantly reduce smoking rates among those persons.

The number of percent of Hawaii adults earning \$25,000 or less that were smoking decreased by 30.3 percent between 2011 and 2021, while the percent of adults earning \$50,000 or more that were smoking decreased by 36 percent during the same period. Among Hawaiians who did not graduate high school, smoking rates decreased by 38.1 percent, yet rates among adults with a college degree decreased by 42.6 percent.

Lawmakers should refrain from enacting further increases in cigarette taxes given their disproportionate effect on low-income persons, while failing to reduce smoking rates.



Adult E-Cigarette Use

The CDC provides data on adult e-cigarette use for only 2016, 2017, and 2021.

In 2021, among all Hawaii adults, 7.3 percent were currently using e-cigarettes. This is a 55.3 percent increase from 2017 when 4.7 percent of Hawaiian adults were current e-cigarette users.

In 2021, among all Hawaii adults, 24.5 percent of 18- to 24-year-olds, 11.2 percent of 25–44-year-olds, 2.4 percent of 55–64-year-olds, and 0.7 percent of adults aged 65 years or older were currently using e-cigarettes. Among adults earning \$15,000 or less, 7.9 percent reported current e-cigarette use, compared to 4.8 percent who reported earning \$50,000 or more.

In Hawaii, 10.7 percent of Multiracial, non-Hispanic adults, 10.5 percent of Native Hawaiian and/or Pacific Islander adults, 10.2 percent of Hispanic adults, 7.4 percent of Black adults, 6.1 percent of White adults, and 5.1 percent of Asian adults were currently using e-cigarettes in 2021.

Tobacco & Vaping 101: Hawaii 2023

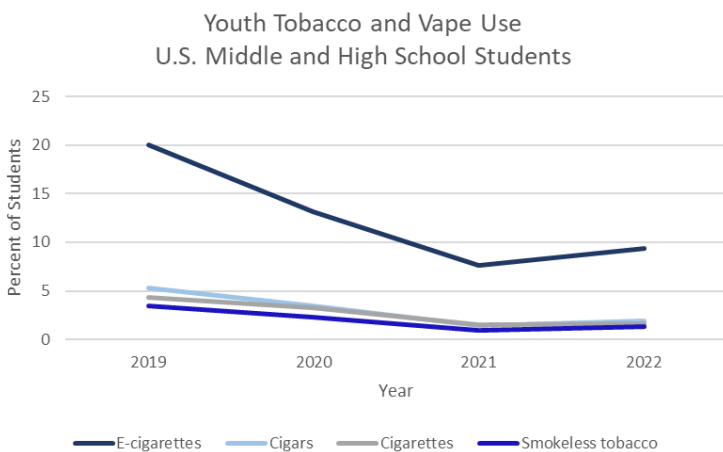
Youth Smoking and Vaping Rates

The CDC continues to delay publishing the 2021 results of the Youth Risk Behavior Survey resulting in state-specific data being unavailable at the time of this publication. Nonetheless, youth use of vapor products has declined significantly in recent years and youth use of traditional tobacco products is at record lows.

According to the National Youth Tobacco Survey, in 2022, only 9.4 percent of middle and high school students reported current use of e-cigarette products, defined as having used a product on at least one occasion in the 30 days prior to the survey. Youth vaping seems to have peaked in 2019, when 20 percent of youth reported current e-cigarette use. Between 2019 and 2022, current e-cigarette use declined by 53 percent.

Regarding traditional tobacco products, in 2022, only 1.9 percent of U.S. youth reported current cigar use, 1.6 percent reported current combustible cigarette use, and 1.3 percent reported using smokeless tobacco products. Between 2019 and 2022, current cigar use declined by 64.2 percent, current cigarette use decreased by 62.8 percent and smokeless tobacco use by 62.9 percent.

Given the record lows in youth tobacco use and continued declines in youth vapor product use, policymakers must refrain from prohibitionist policies that would hinder adult access to harm reduction products.



Young Adult Smoking Rates

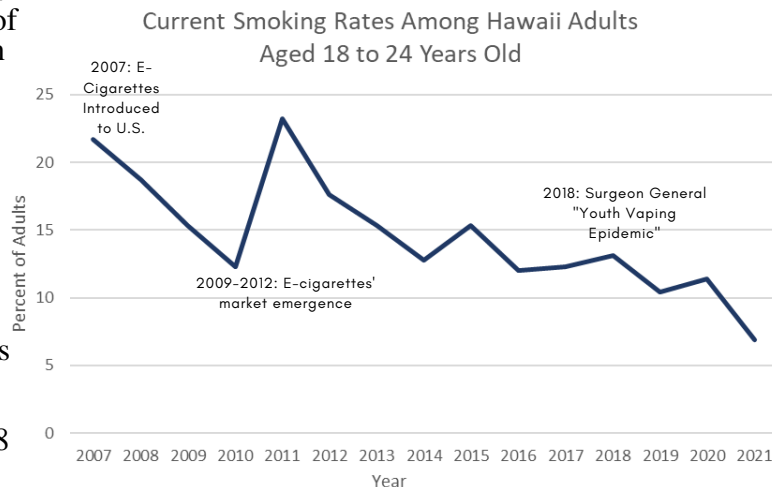
As e-cigarettes have disrupted the traditional tobacco market, policymakers have shifted their attention towards youth use and subsequent smoking initiation. Despite the rhetoric, the introduction of e-cigarettes has not led to increases in young adult cigarette smoking, but rather, correlates with significant declines.

E-cigarettes first came to U.S. market in 2007, when 21.7 percent of Hawaiians aged 18 to 24 years old were currently smoking. In 2018, public health purported to a so-called “youth vaping epidemic,” when 13.1 percent of young adults in the Aloha State were smoking. Between 2007 and 2018, young adult smoking rates declined by 39.6 percent. Further, since 2018, young adult smoking rates have decreased another 47.3 percent, with average annual declines of 16.8 percent.

Though data is limited to only three years, increases in vaping correlate with decreases in smoking.

In 2017, (among 18- to 24-year-olds) 12.3 percent and 12.2 percent were currently using combustible cigarettes and e-cigarettes, respectively. Between 2017 and 2021, current cigarette use among young adults decreased by 43.9 percent while vapor product use increased by 100.8 percent.

Given the epic lows in young adult smoking rates, lawmakers must refrain from policies that restrict access to alternatives to smoking.



Tobacco & Vaping 101: Hawaii 2023

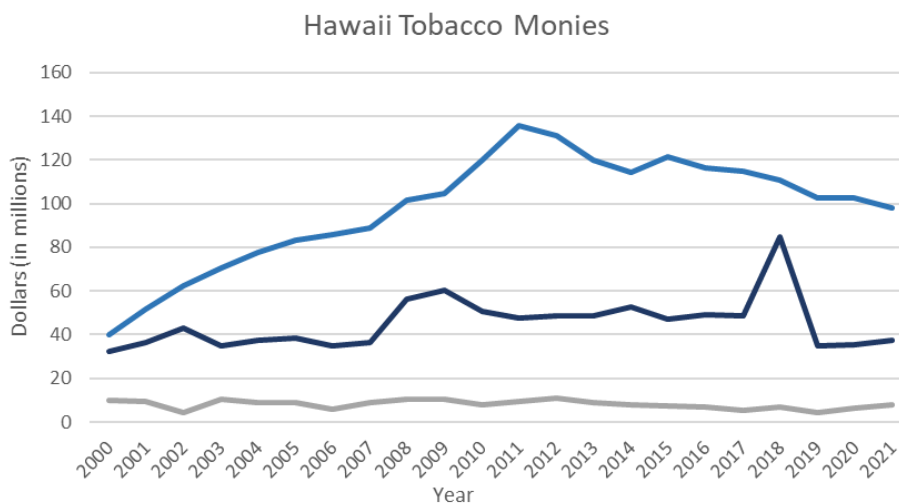
Tobacco Monies

Each year, states receive millions of dollars borne out of the lungs of persons who smoke. This revenue includes excise cigarette taxes and settlement payments. Yet, each year, states spend miniscule amounts of tobacco-related monies on programs to help adults quit smoking and prevent youth use.

In 2021, the Aloha State collected nearly \$98.1 million in state excise tax revenue from combustible cigarettes. This was a 4.2 percent decline from 2020's \$102.4 million. Between 2001 and 2021, Hawaii collected more than \$2.1 billion in cigarette taxes.

Since 2000, Hawaii has collected annual payments from tobacco manufacturers based on the percentage of cigarettes and tobacco products sold in the state in that year. Hawaii collected \$37.5 million in settlement payments in 2021, a 6.2 percent increase from 2020's \$35.3 million. Since 2000, the Aloha State collected nearly \$997 million in tobacco settlement payments.

While Hawaii collected an estimated \$135.6 million in tobacco-related monies in 2021, the state allocated only \$7.9 million in state funding towards tobacco control programs, including cessation, education, and youth prevention efforts, which was a 23.4 percent increase in funding from 2020 levels. This amounts to 8.1 percent of taxes and 21.1 percent of settlement payments. In 2021, for every \$1 the state received in tobacco monies, it spent only \$0.06 on tobacco control efforts.



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— Cigarette Taxes — Tobacco Settlement Payments — Tobacco Control Funding

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Tobacco Harm Reduction 101

An estimated 30.8 million American adults smoked in 2020, or approximately 12.5 percent of the U.S. population.[1] Smoking-related disease and deaths cost the United States more than \$300 billion each year, including \$225 billion attributed to medical costs and more than \$156 billion due to lost productivity.[2]

For many years, policymakers have staunchly pushed forward with only one approach: quit or die. This failed method of smoking prevention and cessation has negligibly reduced smoking rates over the years. Yet, there is another approach: tobacco harm reduction for those who are unwilling or unable to quit smoking. In 1976, famed tobacco research Michael Russell remarked “people smoke for the nicotine, but die from the tar.”[3] Today, cigarettes contain nearly 600 ingredients and when ignited release more than 7,000 chemicals in the tobacco smoke, including 69 which are known to cause cancer.[4]

Nicotine, while not benign, is not responsible for causing cancer or the other ill effects caused by combustible cigarette smoke. In fact, the U.S. Food and Drug Administration,[5] the Centers for Disease Control and Prevention,[6] and the American Cancer Society[7] all acknowledge that nicotine has addictive properties but is not responsible for the harms caused by various tobacco products.

Given that nicotine itself is not the harm-causing property of tobacco, consumers and manufacturers have moved forward with giving adults the options to try and switch to less harmful tobacco products, otherwise known as tobacco harm reduction.

Tobacco harm reduction takes into account the science and the individual, all the while reducing the harms related to cigarette smoking. Rather than shaming persons addicted to nicotine, tobacco harm reduction offers them an opportunity to use a less harmful product, while delivering nicotine in a manner that is effective at reducing their cravings.

Reduced harm tobacco products include: electronic cigarettes/vaping devices, heated tobacco products, nicotine replacement therapy, and smokeless and snus products. These products deliver nicotine to adult consumers in a manner that is significantly less harmful than combustible cigarettes. Moreover, there is a plethora of evidence to their reduced risks.

- **E-Cigarettes:** Despite media alarmism, e-cigarettes are significantly less harmful than combustible cigarettes, as noted by numerous public health agencies. In 2015, Public Health England found e-cigarettes to be 95 percent less harmful than combustible cigarettes.[8] In 2021, the agency noted that “vaping is positively associated with quitting smoking successfully.”[9] In 2016, the UK Royal College of Physicians declared that e-cigarettes were unlikely to exceed five percent of the harms that are caused by smoking.[10] Not only does the UK government subsidize e-cigarettes as a cessation tool for people who smoke, vape shops can be found in hospitals in the country. In the United States, in 2018, of the estimated 10 million vapers, approximately 3 million had previously used combustible cigarettes.[11] In 2021, the FDA, through a new regulatory pathway, authorized the first e-cigarette product, finding that the product is “significantly less toxic than combusted cigarettes” and “could benefit addicted adult smokers who switch ... by reducing their exposure to harmful chemicals.”[12]
- **Heated Tobacco:** The US FDA has not only allowed for the marketing of a heated tobacco product, the manufacturer has been permitted to market it with a reduced risk claim, including that due to the product heating tobacco and not burning it, the process “significantly reduces the production of harmful and potentially harmful chemicals.”[13] While the rollout in America has been limited (and currently hindered by a patent dispute), in other countries, heated tobacco products have been linked to significant reductions in adult smoking rates. A 2020 study by the American Cancer Society remarked that heated tobacco products “likely reduced cigarette sales in Japan.”[14]

Tobacco Harm Reduction 101

- **Nicotine pouches:** Nicotine pouches are used the same way as snus but deliver nicotine via infused fillers like plant-based fibers instead of pasteurized tobacco. They are the newest innovation on the nicotine market and they are as or less harmful than snus. As a result, they have been rising in popularity across the world. For example, a May 2022 study assessed the potential effect of nicotine pouches if introduced in the U.S. in 2000. The study estimated there would have been about 700,000 fewer deaths by 2050.
- **Nicotine Replacement Therapy (NRT):** NRT is the most endorsed form of tobacco harm reduction and is subsidized by federal and state health care quit-smoking programs. NRT includes gums, patches, lozenges, and prescription medication. Studies have found that similar rates of cessation success among users of various NRT products and smokeless and snus products.[15] Other tobacco harm reduction products have been found to be more effective. For example, a 2019 randomized controlled trial found that e-cigarettes were almost twice as effective as NRT in aiding in smoking cessation.[16]
- **Smokeless:** Smokeless tobacco poses much lower risks than smoking, all while containing nicotine. A 2009 Biomed Central study analyzed 89 studies of smokeless tobacco use and cancer finding “very little evidence” of smokeless tobacco producing elevated cancer risks.[17] A 2011 review of epidemiologic studies found that snus and smokeless tobacco use to be “99% less hazardous than smoking.”[18]
- **Snus:** Snus is an oral moist tobacco often used in pouches. It originated in Sweden and has been part of the country’s “tobacco culture” for more than a century. Snus has been directly linked to reducing smoking rates in the country. Swedish men, who have the highest rate of smokeless tobacco use in Europe and the lowest smoking rate, “also have the lowest rates of lung cancer and other smoking-related diseases in Europe.”[19] Further, a 2020 long-term study of Swedish snus users that were former smokers concluded that over “80% found snus of great importance to succeed with smoking cessation.”[20]

As cigarettes remain available, it is imperative that policymakers offer the consumers access to less harmful tobacco products. Policymakers should avoid excessive regulations, unfair taxation, and outright prohibition when enacting policies regarding novel tobacco harm reduction innovations. Lawmakers should put forth policies that both inform consumers of the wide variety of less harmful products, as well as allow the market to introduce products that are effective at both delivering nicotine in a less harmful manner and reducing smoking rates.

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Tobacco Harm Reduction 101

Tobacco Harm Reduction Products Can Help Adults Quit Smoking

Many opponents of tobacco harm reduction (THR) often claim there is no evidence that alternative nicotine/novel tobacco products including e-cigarettes, heated tobacco, and smokeless and snus tobacco products, are effective for smoking cessation. This misinformation deters many people who smoke from trying a reduced risk product.

Users Tend to Be Current and/or Former Smokers

Surveys in individual countries indicate an overwhelming majority of novel tobacco product users are current and former smokers. For example, the UK's Action on Smoking and Health (ASH) estimate that less than one percent of the country's current 3.6 million vapers are never-smokers.[1] A 2019 study in the *International Journal of Environmental Research and Public Health* found that among heated tobacco users in Japan, only one percent were never smokers.[2] Similarly, according to the Centers for Disease Control and Prevention (CDC), in 2018, current and ever e-cigarette use was highest among persons who had quit smoking and "lowest among those who never smoked cigarettes." [3]

Safer nicotine products are almost exclusively attractive to people who smoke and the motivation for trying them is to reduce harm from tobacco or quit entirely. According to the latest Global State of Tobacco Harm Reduction briefing, harm reduction options are already being used by an estimated 112 million people worldwide, with approximately 82 million using vaping products, 20 million using heated tobacco and 10 million using smokeless tobacco, nicotine pouches and snus.[4]

Research Indicates Effectiveness of Tobacco Harm Reduction Products

Data from national surveys find e-cigarettes to be effective in helping adults quit smoking.

In the UK it has been estimated by ASH that at least 2.3 million UK smokers have quit smoking completely with nicotine vaping devices.[5] According to the CDC, in the United States, 4.3 million US adult nicotine vapers are ex-smokers,[6] and the latest Eurobarometer survey found that 7.5 million EU citizens have quit smoking using a nicotine vaping product.[7]

Heated tobacco products have led to significant reduction in smoking rates. A 2020 study by the American Cancer Society remarked that heated tobacco products "likely reduced cigarette sales in Japan." [8] Another 2020 study published in the *International Journal of Environmental Research and Public Health* came to a similar conclusion, stating that "the accelerated decline in cigarette-only sales since 2016 corresponds to the introduction and growth in the sales of heated tobacco products." [9]

Snus has been directly linked to reducing smoking rates in Sweden, which has a seven percent smoking rate, the lowest in Europe. A 2020 long-term study of Swedish snus users that were former smokers concluded that more than "80% found snus of great importance to succeed with smoking cessation." [10] Furthermore, a joint Swedish and Australian study of more than 60,000 individuals found that "Snus has both contributed to decreasing initiation of smoking and ...appears to facilitate smoking cessation." [11]

A 2008 study in *Harm Reduction Journal* examining data from the 2000 National Health Interview Survey, found that men who had switched to smokeless tobacco in their most recent quit attempt "had the highest proportion of success among those attempting [to quit] smoking," and that switching to smokeless tobacco "compares very favorably with pharmaceutical nicotine as a quit-smoking aid among American men." [12]

Nicotine pouches are a more novel tobacco harm reduction product with research indicating that they can be useful in helping adults quit smoking. A May 2022 study assessed that if nicotine pouches had hypothetically been introduced into the US in 2000, there would have been about 700,000 fewer deaths by 2050.[13]

Tobacco Harm Reduction 101

FDA-Approved Cessation Products Have Limited Success

Unfortunately for many adults who continue to smoke, current FDA-approved cessation products have not been useful helping them quit, and some studies indicate novel tobacco harm reduction products are more effective.

A 2019 randomized trial published in *The New England Journal of Medicine* found e-cigarettes to be twice as effective as nicotine replacement therapy in helping adults quit smoking.[14] In 2021, the Cochrane Library living review of e-cigarettes found that “nicotine e-cigarettes help more people to stop smoking than nicotine replacement therapy.”[15]

Unfortunately, as of June 2022, the FDA erroneously claims that “there is not yet enough evidence to support claims that e-cigarettes... are effective tools for quitting smoking.”[16]

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House Committee on Finance
Representative Kyle Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair

Hearing Date: Friday, February 24, 2023

ACS CAN COMMENTS on HB 537 HD2 – RELATING TO ELECTRONIC SMOKING DEVICES.

Cynthia Au, Government Relations Director – Hawaii Guam
American Cancer Society Cancer Action Network

Thank you for the opportunity COMMENT on HB 537 HD2: RELATING TO ELECTRONIC SMOKING DEVICES.

The American Cancer Society Cancer Action Network (ACS CAN) is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. We support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem. ACS CAN supports efforts to invest in comprehensive policies that would strengthen the health infrastructure in Hawaii to prevent kids from starting to use tobacco and help adults already addicted to tobacco to quit.

Lung cancer remains the leading cause of cancer deaths in Hawaii with an estimated 1,400 adults dying from smoking every year.ⁱ There are 21,000 keiki who are alive now that will die prematurely due to smoking-related disease.ⁱⁱ Tobacco use remains the leading preventable cause of death nationwide.

ACS CAN supports including “electronic smoking devices” in the definition of “tobacco products.” To strengthen the bill, we recommend the following definition of “Electronic Smoking Device”:

“Electronic smoking device” means any device that can be used to deliver aerosolized or vaporized nicotine to the person inhaling from the device, including, but not limited to, an e-cigarette, e-cigar, e-pipe, vape pen or e-hookah. Electronic smoking device includes any component, part, or accessory of such a device, whether or not sold separately, and includes any substance intended to be aerosolized or vaporized during the use of the device. Electronic smoking device does not include any battery or battery charger when sold separately. In addition, electronic smoking device does not include drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in the Federal Food, Drug and Cosmetic Act.

We also recommend the following comprehensive definition for “Tobacco Products”:

“Tobacco product” means any product that is made from or derived from tobacco or that contains nicotine whether natural or synthetic, that is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled or ingested by any other means, including, but not limited to, a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus. “Tobacco product” also means electronic smoking devices and any component or accessory used in the consumption of a tobacco product, such as filters, rolling papers, pipes, and substances used in electronic smoking devices, whether or not they contain nicotine. “Tobacco product” does not include drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in the Federal Food, Drug and Cosmetic Act.

ACS CAN does not recommend defining “e-liquid” separately from electronic smoking devices and recommends deleting the definition of “e-liquid” and reference the definition for “tobacco product.” We have serious concerns in the creation of new categories of products, as some products may be exempt from various tobacco control laws, and as it is defined in the bill may not capture all products. Also, this may result in only regulating and taxing e-liquids rather than the entire electronic smoking device and this may be incredibly difficult to enforce.

E-cigarettes are now the most popular tobacco product among youth – in part because they are not subject to many of the regulations and taxes other tobacco products are subject to. By implementing the same policies and regulations used to reduce cigarette use to record lows, we can reverse the trends in youth e-cigarette use. Furthermore, revenue collected should go toward tobacco prevention and cessation for all tobacco products including electronic smoking devices and e-cigarettes. Currently, Hawaii is 44.7% under CDC’s recommended funding level for State Tobacco Control Programs. CDC’s evidence-based recommendations for a comprehensive tobacco control program provide states with the needed framework to educate people on the dangers of tobacco use as well as connect people who are already addicted to tobacco to resources to help them quit.

ACS CAN believes in all efforts to reduce tobacco use including Hawaii including taxing, regulating, licensing and permitting, education and cessation services are components of comprehensive approach to tobacco regulation. Comprehensive tobacco control programs establish smoke-free policies and social norms, promote tobacco cessation and support those trying to quit, prevent initiation of tobacco use among prospective new users including youth and reduce tobacco-related health disparities among disparate populations.

Thank you for the opportunity to comment on this important matter. Should you have any questions, please do not hesitate to contact Cynthia Au at 808.460.6109, or Cynthia.au@cancer.org.

¹ Campaign for Tobacco-Free Kids. The Toll of Tobacco in Hawaii. Updated January 20, 2023. <https://www.tobaccofreekids.org/problem/toll-us/hawaii>

¹¹ Campaign for Tobacco-Free Kids. The Toll of Tobacco in Hawaii. Updated January 20, 2023. <https://www.tobaccofreekids.org/problem/toll-us/hawaii>



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February 22, 2023

Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
House Finance Committee

Re: HB537 HD2, House Committee on Finance Meeting on Friday, February 23, 2023, 3:30 pm

Dear Chair Yamashita and Vice Chair Kitagawa,

This testimony is in support of HB527 HD2, which will ensure that e-cigarettes are taxed as tobacco products. I am writing on behalf of Parents for Public Schools of Hawai'i, a non-profit organization that provides the perspectives of family members with children in public education. Our volunteer group emerged from the Furlough Friday crisis, and we have over 1,300 members statewide.

As parents, we are appalled that 1 in 3 high school students in Hawai'i vape, as do 1 in 5 middle schoolers. E-cigarettes are now the most popular tobacco product among youth, and this is largely because they are not subject to many of the same regulations as other tobacco products.

State leaders and citizens have a responsibility to work to decrease the e-cigarette use among youth in our State. Comprehensive regulation of e-cigarettes is needed immediately, including taxation, licensure, and prohibiting online sales of e-cigarettes. These are actions that we can enact today to make sure that more youth do not become addicted to tobacco, which we know leads to disease and death.

E-cigarettes are the only tobacco products without a tax, and taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. We support this bill because it creates a taxation system for e-cigarettes.

A meaningful tax on e-cigarettes is important because research shows that significant price increases reduce tobacco use among youth.

We urge you to support HB527 HD2.

Sincerely,

Lois A. Yamauchi
Secretary
Parents for Public Schools of Hawai'i



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HIPHI Initiatives

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Tobacco-Free Hawai'i

Community Health
Worker Initiative

COVID-19 Response

Hawai'i Drug & Alcohol Free
Coalitions

Hawai'i Farm to School Hui

Hawai'i Oral Health Coalition

Hawai'i Public Health Training Hui

Healthy Eating + Active Living

Kūpuna Collective

Date: February 23, 2023

To: Representative Kyle T. Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

Re: Support HB537 HD2 Relating to Electronic Smoking Devices

Hrg: Friday, February 24, 2023, at 3:30 PM, Conf Rm 308

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Instituteⁱ is in **support of HB537 HD2** which includes e-cigarettes into the definition of tobacco products in Chapter 245.

E-cigarette use among youth and young adults has become a public health concern.

According to the 2019 YRBS, Hawai'i has the third highest e-cigarette rate in the Country with 1 in 3 (30.6%) public high school students and more than 1 in 6 (18%) public middle school students reporting that they are regularly vapingⁱⁱ. Because Electronic Smoking Devices (ESDs) remain unregulated, e-cigarette companies have aggressively marketed their products by glamorizing their use, using celebrities and young adults as endorsers, and making false health claims. E-cigarettes often contain nicotine, which is addictive and harmful, particularly to adolescents whose brains are still developing.

The Coalition supports establishing a tax on ESDs. They are the only tobacco product without a tobacco tax. In 2016, the FDA deemed e-cigarettes, including their components and parts, as tobacco products. In a pollⁱⁱⁱ conducted by Ward Research Inc. for the Coalition in November 2022, 91% of registered Hawai'i voters supported taxing e-cigarettes at the same rate as cigarettes or other tobacco products.

Because ESDs are not subject to current State tobacco tax laws, they are seen as lower-priced tobacco alternatives with virtually no restrictions that can appeal to the youth. Raising taxes and increasing the price of tobacco products is a proven strategy to reduce consumption for both adults and youth.

This taxation would NOT apply to any FDA approved Nicotine Replacement Therapy (NRT) or FDA approved non-nicotine cessation

product. NRTs include over the counter products: skin patches, chewing gum, and lozenges. They also include prescription products such as nicotine spray and nicotine inhaler.^{iv} E-cigarettes are not part of these approved methods. Cessation is a process that should be done in partnership with a licensed healthcare professional.

Taxation of Tobacco Products, including ESDs

Since 2016 e-cigarettes have been classified as tobacco products by the FDA^v. Therefore, Including ESDs as part of the definition of tobacco products in Chapter 245 would bring much-needed clarity. Once defined as a tobacco product in that chapter, ESDs would be taxed with parity and be included in an existing regulation system via permitting, licensure, and taxation, making it easier to implement enforcement. In the same 2022 Ward survey of registered voters, 91% of those surveyed support taxing vaping products the same as other tobacco products, and 94% of respondents felt the state should dedicate a portion of the revenue from those taxes to prevention and cessation programs.

Hawai'i has made enormous progress on tobacco control, and we ask the legislature to take the necessary steps to protect our youth from a lifetime of addiction.

Thank you for considering the policies that will better protect the health of our communities.

Mahalo,



Peggy Mierzwa
Policy and Advocacy Director
Hawai'i Public Health Institute

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 2019 Youth Risk Behavior Surveillance System (YRBS). Available at: www.cdc.gov/yrbs.

ⁱⁱⁱ This study by Ward Research, Inc. summarizes findings from a phone survey among n=719 Hawaii registered voters (maximum sampling error +/- 3.6%), conducted between November 4-29, 2022.

^{iv} <https://www.fda.gov/consumers/consumer-updates/want-quit-smoking-fda-approved-and-fda-cleared-cessation-products-can-help>

^v <https://www.federalregister.gov/documents/2016/05/10/2016-10685/deeming-tobacco-products-to-be-subject-to-the-federal-food-drug-and-cosmetic-act-as-amended-by-the>



February 23, 2023

To: Representative Kyle Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair
Members of the Committee
House Committee on Finance

Re: Testimony in Support of HB537 HD2, Eletronic Smoking Devices; E-Liquids; Tax

Hrg: 24 Feb 2023, 3:30PM, House Conference room 308 via Videoconference

The Hawai'i Public Health Association (HPHA) is a group of over 450 community members, public health professionals, and organizations statewide dedicated to improving public health. Our mission is to promote public health in Hawai'i through leadership, collaboration, education and advocacy. Additionally, HPHA aims to call attention to issues around social justice and equity in areas that extend beyond the traditional context of health (e.g., education, digital equity, cultural sensitivity), which can have profound impacts on health equity and well-being. Therefore, as stewards of public health, HPHA is also advocating for equity in all policies.

We strongly support HB537 HD2 to establish a tax on e-cigarettes at 70% of the manufacturer's list price. This will create parity between e-cigarettes and other tobacco products.

E-cigarettes are the only tobacco products without a tax. Extensive research has demonstrated that taxing tobacco products and cigarettes reduces tobacco use and saves lives. When considering e-cigarettes, keiki are especially vulnerable as e-cigarettes are now the most popular tobacco produce among youth. In Hawai i 1 in 3 high school students and 1 in 5 middle school students report current use of e-cigarettes or vaping. Yet, e-cigarette products are not subject to many of the regulations that other tobacco products are subject to. This bill would create the necessary regulations on e-cigarettes in Hawaii and keep them out of the hands of our keiki.

We strongly support HB537 HD2 and respectfully ask that you pass this measure to reduce e-cigarette use among keiki. Thank you for the opportunity to provide testimony on this important public health issue affecting youth in our communities.

Respectfully submitted,

Holly Kessler
Executive Director

HB-537-HD-2

Submitted on: 2/22/2023 4:53:07 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Chang	Individual	Oppose	Written Testimony Only

Comments:

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HB-537-HD-2

Submitted on: 2/22/2023 5:21:07 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Gracie Flores	Individual	Support	Written Testimony Only

Comments:

- In Hawai‘i, one in three high school students and one in five middle school students report that they currently use e-cigarettes, or “vapes.” E-cigarettes are now the most popular tobacco product among youth – and that’s largely because these products are not subject to many of the regulations other tobacco products are subject to.
- E-cigarettes are the only tobacco products without a tax, and we know that taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit.
- We support applying a meaningful tax on e-cigarettes because research shows that significant price increases reduce tobacco use among youth.
- Please include the taxation rate of 70% of the wholesale price to create parity between e-cigarettes and other tobacco products.

HB-537-HD-2

Submitted on: 2/22/2023 5:26:54 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Cheryl Reeser	Individual	Support	Written Testimony Only

Comments:

Aloha,

Flavored tobacco products, such as E-Cigarettes, have created an urgent health epidemic for our youth. After everything we now know of the dangers of tobacco use, we've got to do everything within our power to curb this crisis immediately and HB537 is one of the tools we can use to do this by taxing these products which have proven to curtail the use of tobacco products in both youth and the general population. There is no reason not to treat E-Cigarettes like any other tobacco product. I urge you to support HB537.

Mahalo.

HB-537-HD-2

Submitted on: 2/22/2023 5:46:20 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Dallas Nelson	Individual	Oppose	Written Testimony Only

Comments:

I don't want State Lawmakers in office that take away the things people like and overtax what is left. We have a constitutional right to enjoy flavored products which is protected under the right to privacy, same as abortion. Anyone that can't see that needs to get sent back to lawyer kindergarden.

HB-537-HD-2

Submitted on: 2/22/2023 5:49:52 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Doris Segal Matsunaga	Save Medicaid Hawaii HB	Support	Written Testimony Only

Comments:

Save Medicaid Hawaii supports HB537 HD 2

HB-537-HD-2

Submitted on: 2/22/2023 6:01:19 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Anthony Orozco	Individual	Oppose	Written Testimony Only

Comments:

The bill will be a business killer. People will buy from the mainland and black market.

If you want my vote in the 2024 election, then vote no to this bill. Thank You.

HB-537-HD-2

Submitted on: 2/22/2023 6:17:04 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Lani Hernandez	Individual	Oppose	Written Testimony Only

Comments:

Vapes really help people cut back on smoking but with a high tax you might as well just smoke real tobacco. I view this bill hb537 as anti-health.

HB-537-HD-2

Submitted on: 2/22/2023 7:18:36 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Mark Dietrich	Individual	Oppose	Written Testimony Only

Comments:

Inflation is insanely out of control. We get poorer everyday in Hawaii. HB-537 will make it even harder on people. Business will suffer, retail jobs will suffer, and tax revenues will fall.



Hawaii COPD Coalition
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Honolulu, HI 96813
hicopd@gmail.com
(808)699-9839

February 22, 2023

Honorable Chair Representative Kyle T Yamashita
Honorable Vice-Chair Lisa Kitagawa
Members of the House Finance Committee

RE: **Strong Support for HB537HD2, Relating to Electronic Smoking Devices**

Dear Chair Yamashita, Vice Chair Kitagawa, and members of the House Finance Committee,

This measure is extremely critical to the health of the children of our state and our entire state as well. **Please pass HB537HD2**, which would achieve comprehensive regulation as well as ensure that the system of taxation for Electronic Smoking Devices (ESDs) become a part of our existing tobacco tax structure.

I am Executive Director of the Hawaii COPD Coalition and serve over 45,000 Hawaii adults diagnosed with COPD in Hawaii (with an estimated equal number still undiagnosed). Chronic Obstructive Pulmonary Disease or COPD is an umbrella of diseases which include emphysema, chronic bronchitis and chronic asthma. Since 2007, I have worked in Hawaii, nationally and internationally with countless people who have had their lungs and lives horribly affected by tobacco and nicotine. Many of these people have become disabled and unable to perform jobs and hobbies they enjoyed, spending a lot more time and resources with healthcare providers and requiring support from society than they or any of us would like.

Sadly, our state is in the middle of a youth vaping epidemic! In Hawai'i one in three high school students and on in five middle school students reported "current use of e-cigarettes according to the Hawai'i YRBSS 2019! ESDs are now THE most popular tobacco/nicotine product among youth, largely because these products are NOT regulated (unlike regulations on other tobacco/nicotine products).

- Comprehensive regulation (including taxation, licensing, and prohibiting online sales of ESDs is needed to address the continued increase in ESD use among Hawaii's youth.
- In addition to regulations, it is important to dedicate a portion of the collected taxes to educational, preventative and cessation services.
- ESDs are the ONLY tobacco products without a tax. Taxing tobacco products, nicotine and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco and nicotine products to quit. We support this bill because it creates a taxation system for ESDs.
- Applying a meaningful tax on ESDs is important because research shows conclusively that significant price increases reduce tobacco use among youth.

Please help protect the lungs and lives of our children from these very harmful products that are spreading virally in our communities and schools, from elementary through high school and beyond. We urge you to please **vote in favor of HB537HD2 pass it out of committee so our keiki and community will be protected from ESDs.** The Hawaii COPD Coalition thanks you very much for your careful consideration of this most important and timely bill.

Very truly yours,

Valerie Chang

Valerie Chang
Executive Director

HB-537-HD-2

Submitted on: 2/22/2023 8:11:11 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Marilyn Mick	Individual	Support	Written Testimony Only

Comments:

Aloha,

We are in the midst of a youth vaping epidemic. In Hawai‘i, one in three high school students and one in five middle school students report “current use” of e-cigarettes.

Currently, there is no tobacco tax attached to e-cigarettes. Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit.

The state should create tax parity between e-cigarettes and other tobacco products, and the enhanced tax revenue should go toward tobacco prevention and control programs, which complement and strengthen the effect of tobacco policies in reducing smoking rates. Please support HB537 HD2.

Mahalo, Marilyn Mick, Honolulu

HB-537-HD-2

Submitted on: 2/22/2023 8:22:57 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Will Caron	Individual	Support	Written Testimony Only

Comments:

We are in the midst of a youth vaping epidemic. In Hawai‘i, one in three high school students and one in five middle school students report “current use” of e-cigarettes.

Currently, there is no tobacco tax attached to e-cigarettes. Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit.

The state should create tax parity between e-cigarettes and other tobacco products, and the enhanced tax revenue should go toward tobacco prevention and control programs, which complement and strengthen the effect of tobacco policies in reducing smoking rates. Please support HB537 HD2.

HB-537-HD-2

Submitted on: 2/22/2023 10:51:19 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Bryan Mih	Individual	Support	Written Testimony Only

Comments:

Aloha,

My name is Bryan Mih and I am a parent, pediatrician, and the medical director of the Kapi’olani Smokefree Families Program. For the health of our keiki and their families, it is vitally important to support HB 537 HD2. This bill improves regulations on e-cigarettes or “vapes” in Hawai‘i and helps keep them out of the hands of keiki.

Electronic smoking devices are used in a similar manner as cigarettes, yet are not taxed as such. The American Academy of Pediatrics strongly supports regulation and taxation of electronic smoking devices to prevent initiation of use, especially by young people.

Hawaii has one of the highest rates of middle schoolers (18%) and high schoolers (31%) currently using e-cigarettes. For Native Hawaiian and Pacific Island youth the rates are even higher: 30% for middle schoolers and 40% for high schoolers. We have even had reports of second grade children using e-cigarettes.

Nicotine is a highly addictive drug that impacts the adolescent brain, reducing impulse control and affecting mood. Those who use e-cigarettes are four times more likely to smoke regular cigarettes later on. The e-cigarette industry claims these are cessation devices, but a recent study has shown that even if one adult can quit with these devices, the trade-off is 81 young people who will start the habit in their place. This is completely unacceptable.

Once young people are addicted to nicotine, it is extremely difficult to quit. Appropriately regulating and taxing these electronic nicotine devices just brings these products in line with laws regarding other tobacco products. This is a common sense solution that is long overdue and which will improve the health of many, especially our keiki and young people.

Please support this important measure. Mahalo for your consideration.

Sincerely,

Bryan Mih, MD MPH FAAP

Pediatrician

Medical Director, Kapi'olani Smokefree Families



February 23, 2023

The Honorable Kyle T. Yamashita, Chairman
The Honorable Lisa Kitagawa, Vice Chairman
Hawaii House Committee on Finance

Dear Chairman Yamashita, Vice Chairman Kitagawa and the Members of the Hawaii House Committee on Finance,

On behalf of National Taxpayers Union, the nation's oldest taxpayer advocacy organization, I write to share our strong opposition to House Bill 537. This bill would tax vapor products and other alternative nicotine products at the same rate as combustible tobacco products — a drastic 70%.

It is clear that vapor products are innovative solutions for smokers transitioning toward significantly less harmful alternatives. As you probably know, vapor products do not contain tobacco. They contain nicotine without the harmful chemicals found in traditional tobacco products intended for smoking. It is very concerning that this bill would apply a severe 70% tax on electronic nicotine delivery systems. This would severely limit the accessibility of these alternative nicotine products to lower- and middle-income residents.

Promoting healthy, smoke-free lives and preventing disease is an admirable goal. However, HB 537 will sadly have the opposite effect as intended. Taxing smoke-free alternatives at the same rate as cigarettes eliminates an economic incentive for consumers to choose a less harmful option. These products are very different, and the definition in state law and tax code should reflect their distinct characteristics.

This bill does a disservice to public health, could potentially create a black market for unregulated use and distribution, and will require consumers to pay more for safer alternatives.

National Taxpayers Union strongly believes House Bill 537 will hurt Hawaiians as they try to promote healthy lives and help those who struggle with smoking addictions. We urge you to stand with taxpayers and reject government overreach and tax increases.

Sincerely,

Mattias Gugel
Director of State External Affairs
National Taxpayers Union
mgugel@ntu.org

Date: February 23, 2023

To: The Honorable Kyle T. Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair
Members of the House Committee on Finance

Re: **Support for HB 537 HD2 with amendments**, Relating to Electronic Smoking Devices

Hrg: Friday February 24, 2023 at 3:30 pm via Videoconference

Aloha House Committee on Finance,

As a parent, community member and healthcare professional I am writing in **support of the intent of HB 537 HD2** which includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of cigarette tax and tobacco tax law. Repeals the electronic smoking device retailer registration unit under the department of the attorney general.

Hawaii continues in the midst of a largely unaddressed youth vaping epidemic.

One in three Hawaii high school students and one in five middle school students report that they currently use e-cigarettes, or "vapes." E-cigarettes are now the most popular tobacco product among our youth – largely because these products are not subject to many of the regulations to which other tobacco products are subject.

E-cigarettes are the only tobacco products in Hawaii that are untaxed and unregulated. Applying a meaningful tax on e-cigarettes is important because research shows that significant price increases reduce tobacco use among youth.

Hawaii needs comprehensive e-cigarette regulation, including taxation, licensure, and prohibiting online sales of e-cigarettes, to address the continuing epidemic level of e-cigarette use among our youth.

It is also important to dedicate a portion of the collected taxes to educational, preventative and cessation services.

I respectfully ask you to amend the language of **HB 537 HD2** for comprehensive e-cigarette taxation and regulation, and pass it out of committee.

Many thanks for your consideration,

Forrest Batz, PharmD
Keaau, HI

HB-537-HD-2

Submitted on: 2/23/2023 6:39:43 AM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Sabrina Spencer	Individual	Oppose	Written Testimony Only

Comments:

I oppose putting a high tax on products that people use to quit smoking.

HB-537-HD-2

Submitted on: 2/23/2023 7:37:06 AM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Caroline Azelski	Individual	Support	Written Testimony Only

Comments:

In support of HD2. Thank you.

HB 537. RELATING TO ELECTRONIC SMOKING DEVICES

I am writing as a Kauai pediatrician in support of **HB 537 HD2**, which is a first step in e-cigarette regulation, establishing a tax on ESD's and e-liquid products. This is an excellent first step in regulating e-cigarettes, but I would ask that the 70% tax rate on e-cigarettes which was in the original version of the bill and established parity with straight cigarettes, be reinserted into the bill. In addition, this bill stops short of comprehensive regulation of ESD's, which ought to include licensing and permitting of retailers and wholesalers and restrict direct on-line sales of ESD's and liquids to consumers. In addition, a portion of the collected taxes ought to be dedicated to tobacco education and cessation efforts, such as that provided by the Tobacco Prevention and Control Trust Fund. All of these provisions would address the dramatic increase in preteen and teen e-cigarette use in Hawaii, which has one of the highest rates of vaping in the country. The disincentive created by increasing taxes on electronic nicotine products and creating mechanisms for licensing and permitting the sellers of vaping products will increase the costs of ESD's, much as increasing taxes on ordinary cigarettes did 20 years ago, to great success. A proposal to utilize ESD taxes for education and cessation efforts will guarantee the continuation of the efforts which have successfully addressed tobacco use for the past 20 years, and are just now starting to address electronic nicotine use as well.

Electronic nicotine use by Hawaii's middle and high schoolers has reached epidemic proportions and our children deserve all of our efforts to prevent further spread of these products and to help our keiki, who have been targeted by tobacco companies for years, to quit using them.

Linda Weiner, MD
Pediatrician
Kalaheo, Kauai

HB 537, HD 2 Relating to Health
February 24, 2023

Committee on Finance

Rep. Yamashita, Chair

Rep. Kitagawa, Vice Chair

**TESTIMONY IN SUPPORT OF HB 537, HD 2
RELATING TO ELECTRONIC SMOKING DEVICES**

I am Julian Lipsher testifying as a private citizen in support of HB 537, HD 2. I currently serve as Chair of the Coalition For a Tobacco Free Hawaii's Policy Committee which is part of the Hawaii Public Health Institute and formerly was with the Hawaii State Department of Health focusing on tobacco prevention and control and chronic disease prevention.

The bill as it relates to electronic smoking devices (ESD) proposes to:

- * Include including electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of cigarette tax and tobacco tax law.
- * Combine the regulation of electronic smoking devices and e-liquids with the retail tobacco permitting process and wholesale licensing process under the Department of Taxation.

The Hawaii State Legislature has enacted numerous pieces of legislation on traditional tobacco products. These measures have resulted in significant declines in both adult and youth smoking rates, some of the lowest in the nation, saving both money and lives. Now we are faced with the challenges presented by the tobacco industry on vaping, e-cigarettes and new methods of nicotine delivery systems.

- e-cigarettes have evaded tobacco regulation laws for almost a decade, leading to a sharp rise in the use of these products, especially by young people, who are enticed by their marketing, attractive flavoring, and lack of proper regulatory controls on an addictive drug, nicotine.
- E-cigarettes are the only tobacco products without a tobacco tax.
- E-cigarettes are not FDA-approved cessation devices.
- Would not include access to FDA-approved nicotine replacement therapy (NRTs) – approved smoking cessation products.

The Legislature is encouraged to apply what has been successful strategies for traditional tobacco products to electronic smoking devices and the epidemic of vaping among our youth.

Thank you for the opportunity to testify.

Julian Lipsher
jdlipsher@hawaii.rr.com

HB-537-HD-2

Submitted on: 2/23/2023 9:07:21 AM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Natasha Woodward	Individual	Support	Written Testimony Only

Comments:

Aloha,

As an employee at a local middle school, I am very concerned about the number of kids taking up vaping. To protect Hawaii's keiki, I think it's crucial to tax these tobacco products to make them less accessible to youth.

Natasha

HB-537-HD-2

Submitted on: 2/23/2023 9:22:22 AM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Richard Collins	Individual	Support	Written Testimony Only

Comments:

In Hawai‘i, one in three high school students and one in five middle school students report that they currently use e-cigarettes, or “vapes.” E-cigarettes are now the most popular tobacco product among youth – and that’s largely because these products are not subject to many of the regulations other tobacco products are subject to.

E-cigarettes are the only tobacco products without a tax, and we know that taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit.

HB-537-HD-2

Submitted on: 2/23/2023 9:53:37 AM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kristin Mills	Individual	Support	Written Testimony Only

Comments:

Hawaii has among the highest rates of middle school and high school e-cigarette (ESD) use in the nation and it has been declared vaping a youth epidemic by the U.S. Surgeon General. One in three high school students and one in five middle school students report “currently using” e-cigarettes (2019 YRBS data).

As a parent and health educator for the Hawaii State Department of Health, this is extremely concerning as there are numerous health impacts from e-cigarettes. Nicotine addiction affects kids’ ability to focus and learn at school, it affects their physical health and mental / emotional health, it affects their relationships, and it affects their self-confidence. The list goes on. Further, once teens become addicted to nicotine, it’s very difficult to quit. Teens are also particularly vulnerable to nicotine, which permanently impacts their still developing brain.

Taxing tobacco products is a proven strategy to reduce youth rates of use. However, e-cigarettes are the ONLY tobacco product without a tax! E-cigarettes need to be taxed and the funds accrued need to be put into prevention, education, and cessation services.

I support HB537. ESD products need to be taxed in the same way that cigarettes are taxed – 70%. And, in addition to taxing electronic smoking devices, we also need to also regulate online sales.

Our youth deserve to have their health protected from these devices! Our youth deserve to remain addiction free. Please help protect our youth by supporting HB537.

Mahalo, Kristin Mills, M.S., M.A.

Epidemiologist and Public Health Educator

HB-537-HD-2

Submitted on: 2/23/2023 10:04:20 AM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kelsey Chuckovich	Individual	Support	Written Testimony Only

Comments:

Re: HB537 HD2

To: House Finance Committee

Thank you for accepting my written testimony. I am submitting testimony in strong support of HB537, which would determine comprehensive regulation including taxation, licensure, and prohibit online sales of e-cigarettes.

This bill would help to address the the continued increase of e-cigarette use by our youth in Hawaii. E-Cigarettes are the only tobacco products without a tax, and taxing tobacco products, such as e-cigarettes, is a proven strategy to reduce youth initiation and encourage those who vape to quit. This bill creates a taxation system for e-cigarettes, which would increase the price, which is known to reduce youth tobacco use.

E-cigarettes are the most popular tobacco product used among our youth in Hawaii. These products are not subject to many of the regulations that other tobacco products are subject to. Thank you for your consideration of this testimony.

Sincerely,

Kelsey Chuckovich

To: Rep. Yamashita, Chair and members of the Committee on Finance

My name is Karenna and I'm from Mililani, Oahu. I am submitting testimony in support of the intent of HB 537 to apply a tobacco tax to e-cigarettes, but believe we also need to restrict online sales of tobacco products, and require licensing for retailers to sell tobacco products. This will reduce the amount of lives lost from tobacco usage and complications due to tobacco, especially among children. Did you know that if this problem is not addressed, 21,000 children alive today will die from tobacco usage? We must protect our children from tobacco and the only way we can do that is by regulating tobacco sales.

I am only in high school and already some of my classmates have admitted to using tobacco products, such as e-cigarettes. This is terrible. I am close to my classmates and the last thing I want is for them to have health problems (or even die) from using tobacco products. The tobacco industry has admitted to marketing towards high schoolers, a fact that I find disgusting. Tobacco industries use flavors to hook children, so children become addicted to nicotine.

There needs to be a tobacco tax attached to e-cigarettes. Applying a tax to tobacco products has been proven to reduce the number of smokers, therefore saving many lives, especially those of young people. This tax would be about 70% of the wholesale price, the same as other tobacco products.

Restricting online sales of tobacco products, mostly e-cigarettes, is also crucial to saving lives. Children (even ones as young as six years old!) can access tobacco products online, which is scary. It's easy for them to do so, and resell them to classmates. This is obviously really bad and needs to be stopped. Why should e-cigarettes be available for purchase online, when combustible cigarettes aren't?

Lastly, getting a license and a permit to sell tobacco products is necessary. Right now, people who sell e-cigarette cannot get revoked or anything. They just need to register. This is why it's so easy to buy tobacco products and why so many kids are doing so! If these retailers were to be licensed, this license can be revoked if they sell to children.

As a teenager, this issue is really important to me. Thank you for taking the time to hear me out!

To: Rep. Kyle T. Yamashita, Chair and Members of the Committee on Finance

From: Jaelyn Natividad

Re: Support for HB537

I believe that we need to regulate e-cigarettes the same as other tobacco products because it includes a common unsafe component, nicotine. Nicotine is known to quickly reach one's brain within a span of 10 seconds. Once your brain is impacted, the nicotine causes your brain to release adrenaline resulting in creating pleasure and energy. Thus is the reason as to why people get quickly hooked and affected.

Within my community, there are many students that use e-cigarettes. This does not only impact their bodies and personal health but it impacts the environment and community around them. It may start with one student with an e-cigarette, but then another will become a follower and so on and so forth, and a classroom of students will be trying them by the end of the week.

My athletically and academically minded cousin started vaping. It hurts to see my cousin throwing years away from their future. The reason being is because e-cigarettes provide detrimental effects to one's body, mentally and physically. My cousin may not show the effects just yet, but in the future my cousin will experience negative impacts. As a blood cousin, it hurts to see him do this to himself because of stress or whatnot. I love my cousin too much to see my cousin throw their life away!

By increasing the cost of e-cigarettes by taxing them like other tobacco products it will make them less attractive to students like my cousin.

Chair Yamashita
Members of the Committee on Finance
February 23, 2023

Support for HB537

I support the intent of HB537. My name is Kinohi and I am from Hau'ula O'ahu and a member of the Coalition for a tobacco-free Hawaii youth council.

I support this bill because I see the effects tobacco and e-cigarettes have on the world around me. E-cigarettes are highly addictive products that contain nicotine, and nicotine is a highly addictive chemical that can have bad bad effects on your brain in several ways. I support this bill because the tobacco industry targets people like me and people in my community.

My community is mostly made up of native Hawaiians and pacific islanders. These companies are targeting people like me, people in my community, low-income Native Hawaiians, and pacific islanders, not only are these companies targeting certain people by their ethnicity and social class but they are also targeting people my age. I am 17 years old and I see kids as young as 10 years old vaping. A Philip Morris executive once said "Students are tremendously loyal. If you catch them, they'll stick with you like glue." and this is true. Hawaii is known for having the highest rates of youth vaping and 1 in 3 Hawai'i high school students report using e-cigarettes on a regular basis.

Youths are more price sensitive than adults, so taxing e-cigarettes the same as other tobacco products will help decrease youth e-cigarette use, this would help to end the youth vaping epidemic.

Kinohi
Hau'ula, O'ahu

Chair Kyle T. Yamashita and Members of the Committee on Finance

I'm Samantha Lay, a junior at Roosevelt High School and I **support** the intent of **HB537** as it calls for taxing e-cigarettes similar to other tobacco products.

The alarming issue facing youth today is one worth addressing and putting forth the effort to lessen those negative impacts. I may not have personally experienced those effects myself, but have observed one of my good friends succumb to the faults of peer pressure. Learning she suffered from heart/lung complications as a result, the extensiveness of harm done came to light as it was challenging to see her have a difficult time breathing, especially when confronted with mask restrictions. Additionally, the health disparities are definitely important to emphasize. With certain marginalized groups, considering race and socioeconomic status, specific audiences are being targeted by the tobacco industry marketing on-island. Not to mention the rates that correspond to vaping in such early stages of individuals' lives. With e-cig use on the rise, we see a rapid increase in addiction and demand for these products. With this bill, the objectives to reduce tobacco use will be ensured, putting youth in the forefront of it all.

By taxing e-cigarettes at a similar rate to other tobacco products it will raise the price which will deter youth from starting and encourage youth to quit.

Committee on Finance

Rep. Kyle Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

Members Rep. Micah P.K. Aiu, Rep. Rachele F. Lamosao, Rep. Cory M. Chun, Rep. Dee Morikawa, Rep. Elle Cochran, Rep. Scott Y. Nishimoto, Rep. Andrew Takuya Garrett, Rep. Mahina Poepoe, Rep. Kirstin Kahaloa, Rep. Jenna Takenouchi, Rep. Darius K. Kila, Rep. David Alcos III, Rep. Bertrand Kobayashi and Rep. Gene Ward

Support for HB 537

Vapes negatively impact our youth because they are very addictive and for our generation easy to get their hands on. By taxing them like cigarettes it will raise the cost which will keep some students from starting using them.

Vapes are just as addictive and harmful as other tobacco products. And for our generation we would rather vape than smoke cigarettes. Because cigarettes give an unpleasant taste and scent. I'm a junior in high school and my first encounter with a vape was freshman year, In my head they smelt better, looked cooler and everyone did it. So most of the people I hang with do it. But it never came across me to try it because I know it's wrong. Every day I'm pressured to try.

Vaping heavily impacts my community, we have a vape shop 4 minutes away from our school and over 100 kids walk by it every day on their way home. By making the price higher through tax fewer would stop and try to buy them.

Carmine

Kealakekua, Hawaii

To: Committee on Finance
Rep. Kyle Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Members Rep. Micah P.K. Aiu, Rep. Rachele F. Lamosao, Rep. Cory M. Chun,
Rep. Dee Morikawa, Rep. Elle Cochran, Rep. Scott Y. Nishimoto, Rep. Andrew
Takuya Garrett, Rep. Mahina Poepoe, Rep. Kirstin Kahaloa, Rep. Jenna
Takenouchi, Rep. Darius K. Kila, Rep. David Alcos III, Rep. Bertrand Kobayashi
and Rep. Gene Ward

From: Daniel Valera

Re: Support for HB 537

E-cigs are also addictive and will harm your body the same as cigs or even worse so should be regulated in the same way.

One of my uncles recently passed away from lung cancer because he smoked cigarettes all his life. My peers are addicted and constantly needing to leave class to get a hit. Kids are constantly going up to each other and asking if they have a vape like it's a normal thing.

Increasing the cost by taxing them will help reduce youth use. Maybe if cigarettes had been more expensive when my uncle was a kid it would have stopped him from starting, and he would still be here.

Rep. Kyle Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

I believe it's important to regulate e-cigarettes the same as other tobacco products and **support the intent of HB537**. It's not okay for these tobacco companies to target young audiences with these cheap products, ruining their futures, they shouldn't be in the hands of teenagers or young adolescents. Making them more expensive by taxing them like other tobacco products will make them less attractive.

I was influenced into vaping by a bad group of friends who were also influenced by the tobacco industry. I instantly got hooked and loved the flavor of it and when I saw the effect it had on my body, I could barely hold my breath when I swam and when I ran I would get out of breath very quickly. I told my boyfriend who was in the youth council group the effects vaping was having and he helped and showed me what vaping can really do and helped me to quit vaping and now I'm trying to help others.

The availability of flavored tobacco products negatively impacts youth and other targeted groups because it makes the youth blind to the risks and makes them want to try them without them knowing the harm it can do to their bodies and flavored tobacco makes kids get hooked easily when they taste so good.

Raising the price will help but we need to do more. The relatively easy access to e-cigarettes purchase online has impacted my community. Many students go in School bathrooms and vape and because of that, most of the bathrooms at my school are closed down and people who actually use the bathroom get in trouble for having the scent on them even if they don't use.

Maui
Hilo, Hawaii

To: Rep. Kyle Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

From: Destin

Date: 2/23/2023

Re: Support for HB537

We need to regulate e-cigarettes the same as other tobacco products because e-cigarettes are easily accessible because of the internet and the disposable vapes are cheap and easy to sell to other people.

I have a fear of going to the bathroom at school because most people that go to the bathroom use it as an excuse to vape in there. I sometimes have to go and risk it and go and use the bathroom. I also got in trouble multiple times because I had the scent of the product cuz of people vaping around me.

The easy and cheap access to e-cigarettes endangers my community to the point where some parents don't trust their kids and fear that their kids are being peer pressured to use flavored tobacco products.

Destin
Pa'auilo, Hawaii

Representative Kyle Yamashita, Chair and members of the Committee on Finance

I'm Zoey, a local youth from Nu'uuanu/Liliha, and I support HB537.

As a youth that has personally seen the impacts of tobacco on my family members and friends, namely my grandpa who had passed away from tobacco use as well as my many fellow peers in middle school, I strongly support the bill to tax and regulate e-cigarettes as any other tobacco product.

Taxing and restricting the online sale of e-cigarettes will undoubtedly help prevent youth addiction to these products, especially since inexpensive accessibility and unregulated online sales have been primary sources of tobacco products for Hawaii kids in high school, middle school, and even elementary school. I've seen it first hand, when my fellow classmates and friends would fill the school bathrooms with sickly sweet scents of cotton candy using vapes that they bought online with just the click of a button. By implementing the same policies and regulations Hawai'i used to reduce cigarette use to record lows, we can reverse the trends in youth e-cigarette use and prevent further health consequences on kids like myself.

Therefore, I urge the committee to support HB537, so that we can truly prevent the dangers of tobacco from affecting both my generation and our future generations.

Mahalo,
Zoey Duan

Committee on Finance

Representative Kyle Yamashita, Chair

Representative Lisa Kitagawa, Vice Chair

Members of the Committee on Finance

My name is Moani and I'm from Mountain View. I support HB 537 because people that vape are becoming addicting at a young age which can lead to serious health issues in the future. They are no better than other tobacco products and should be taxed the same way.

When my grandparents lived in Oahu, my Grandpa used to smoke all the time. He smoked about 3-6 times a day. He never really had a relationship with me because he was half blind, deaf, and couldn't remember all that well. I know that the pipe really messed up his speech too, because he could only make out a couple of words. He smoked because he was trying to let off stress. I felt bad for him because I know that smoking really took over his life and hurt him a lot but I couldn't say anything. He and my Grandma live in the mainland now and he has stopped smoking but the smoking got to him and hurt him a lot. I don't want others to go through that with their family and friends because of vaping.

By taxing vapes the same as other tobacco it would cause fewer kids to use them and make those that vape want to quit.

Chair Kyle Yamashita
Vice Chair Lisa Kitagawa
Members of the Finance Committee

Support HB537

I believe we need to regulate e-cigarettes the same as other tobacco products and tax them at similar rates because it is basically the same product and increasing the tax will make young adults who are not financially independent think twice before buying.

Mary Liaguno
Waikoloa, HI

To: Chair Kyle Yamashita, Vice Chair Lisa Kitagawa and members of the Committee on Finance

From: Sydnee Yokota

Re: Support for HB537

Nicotine is an addictive component found in e-cigarette, and using e-cigarettes can be a gateway to using other substances, such as combustible tobacco cigarettes, marijuana, and other illicit drugs. Nicotine can alter a growing individual's brain development and function. The aerosol inhaled from vaping can cause an increased risk of respiratory and cardiovascular problems in our youth. Vaping can also lead to a newly severe medical disease known as e-cigarette or vaping use-associated lung injury (EVALI), dramatically impairing normal lung functioning.

E-cigarettes are found in practically all convenience stores here on the Big Island. They have appealing colors and exciting flavors that are compelling to buyers and users. However, how e-cigarettes are advertised impacts the community the most; it's always displayed at the front of the store, becoming a massive consumer attraction, especially to the youth.

I believe if e-cigarettes are regulated and taxed like other tobacco products, it could potentially cause the youth not to start using them.

Sydnee Yokota
Pepeekeo

Representative Kyle Yamashita, Chair and members of the Committee on Finance
Support for HB 537.

My name is Zoe Gacayan, I'm from Paauilo and I'm testifying in support of HB 537. We need to acknowledge that e-cigarettes are the same as any and every tobacco product because they all do the same thing; kill. Just because they "seem safer" doesn't make the outcome any different. It makes it worse if anything. Increasing the cost could possibly make the youth not buy as much but in my opinion. The current low cost can possibly cause the youth to use their money unwisely and cause unhealthy habits, like spending their money on harmful products like e-cigarettes.

Personally, e-cigarettes have been in my life for as long as I can remember. My 3 older sisters all vape. One even works at a vape shop. I tried telling them how harmful it is but then I realized they were not my targeted audience. Youth however could listen. Those are the people I want to talk to and impact. By educating youth on the harms and raising the cost of e-cigarettes we can stop kids from vaping.

During school last year, vaping rates were so high that they decided to close down all bathrooms on our campus. This way no kids could go in there and vape. But this affected everyone. No available bathrooms throughout our whole campus. Cameras were installed outside of each bathroom and hallway, to identify who went where and at what time. We had to ask to use the bathroom electronically. Through E-Hallpass. We have to choose which teacher, which building, which bathroom, then they time how long we've been in there. One person in the bathroom at a time. Each class had a set amount of time everyone had in the bathroom. Most classes were 5 minutes. So if someone used the bathroom for 4 minutes then that leaves the rest of the class with 1 minute to spare. For the entire class. We need action now to stop this and taxing vapes like other tobacco is one way to help.

To: Rep. Kyle Yamashita, Chair, Rep. Lisa Kitagawa, Vice Chair and Members of the Committee on Finance

From: Danica Valera, Kamuela

I am testifying in support of the intent of HB537 but feel we need to go further.

I believe that we need to regulate e-cigarettes the same as other tobacco products and tax them at similar rates because if the tax makes it expensive, youth hopefully won't be able to afford to have them.

The relatively easy access to e-cigarette purchase online impacts my community because you don't have to be of age to buy it, it is very easy for youth to purchase it for themselves. We need to close the online loophole. You can't buy combustible cigarettes online, why should you be able to buy e-cigarettes that way?

Tobacco has impacted my life because I was not able to meet my great grandparents, they both passed away from lung cancer within a year of each other due to being heavy smokers. I don't want to see this happen to other generations.

I think increasing the cost of e-cigarettes by taxing them like other tobacco would cause more youth to quit and fewer to start.

Danica Valera
Kamuela

Chair Kyle Yamashita and members of the Committee on Finance

Support for HB537

I, Caleh Carvalho want to see and help end the youth vaping epidemic. Everyday I see kids in my school who are addicted to vaping. At first they started because they liked the candy flavors, some were peer pressured but all of them probably didn't know how addicted they would become to their vape devices. I am the oldest of 4 kids and I want to protect my younger sisters and brother by helping to change law so they won't be targeted by vaping companies like kids my age.

By taxing e-cigarettes the same as other tobacco products it will make it more expensive so fewer kids will start and others may quit.

Thank you for the opportunity to testify.

To: Representative Kyle Yamashita, Chair and Members of the Committee

From: Jaedyn Pavao, Kalaheo Hawaii

I support the intent of HB 537. We need to regulate e-cigarettes because they do take a toll on the body and it has become overused. Increasing the cost will stop youth from using them. However, how are they even getting them in the first place? We need to better regulate these products so we can decrease the overall use of these items for people across all ages. Ending online sales would help.

I know many people in my life that use tobacco and smoke e-cigarettes with no real reason for doing so. I see the kids learn from watching and end up doing the same thing. One of my uncles has a major cough that hasn't gone away. Is that from smoking electronic cigarettes? The consequences of vaping are starting to be seen in some of the people I know that utilize these products.

The use of e-cigarettes has increased so much and I am now hearing stories of elementary kids bringing and using these devices at school. How are these kids getting these items? Do they see their parents using them and think it is acceptable? Children in my community could be putting their health and body at risk without even knowing the harms of these products .

Rep. Kyle Yamashita, Chair, Rep. Lisa Kitagawa, Vice Chair and
Members of the Committee on Finance

I am testifying in **Support for HB537**

My son started vaping in 10th grade. He got the idea and supplies from kids who were not even his friends at Kahuku. He has tried to quit several times since leaving high school 2 years ago, but he just can't. He started before he knew what the impact and cost would be...his rough, scratchy voice and cough, his need to hide what is now a shameful habit, his dependence on substances. He and I both wish it had been more difficult to get or that he understood better what he was getting into. I hope other teens will be empowered to choose a vape-free life.

Emily Bradshaw

Kahuku

Representative Kyle Yamashita, Chair
Representative Lisa Kitagawa, Vice Chair and
Members of the Committee on Finance

My name is Lokella Medeiros and I am from Hilo. I am testifying in support of HB537. We need to regulate e-cigarettes the same as other tobacco products to protect the youth and well being of future generations.

My aunty has been a cigarette smoker for over 20 years and now she has a hard time breathing or participating in any physical activities. She has also lost many of her teeth.

Youth have easy access to buying these products and regulating them like other tobacco products will help keep them out of their hands.

Representative Kyle Yamashita, Chair and Members of the Committee on Finance

I am testifying today in support of HB537

My name is Noel Nichols and I believe e-cigarettes need to be treated like other tobacco products and taxed like cigarettes. By increasing the cost children will have a harder time coming up with the money to buy them.

They should also not be available online where kids can buy these products then sell them to younger children in the elementary schools.

I see kids vaping all the time like it's candy! It is harmful to them and they are using excessive amounts of nicotine earlier and earlier in life. It is even in the elementary schools! Please help them by making e-cigarettes harder for them to get. :(

Noel Nichols

Laie

Date: February 24, 2023

To: Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

From: Members of the University of Hawaii Student Health Advisory Council

Re: Support for HB537, Relating to Electronic Smoking Devices

Hearing: Friday, February 24 at 3:30PM Via Videoconference

Thank you for the opportunity to submit testimony in SUPPORT of HB 537 which would tax tobacco products at a percentage determined by the manufacturer.

The Student Health Advisory Council has played a pivotal role in the development and implementation of health policies and tobacco education on the UH System campuses. We remain deeply committed to the mission of reducing the use of all tobacco products, including electronic smoking devices, among adolescents and young adults.

With products like Flume and other popular electronic smoking devices, it is increasingly clear that these products are addicting a whole generation of youth to a harmful product. The Surgeon General has gone so far as to declare youth e-cigarette use an epidemic, and states that there is an urgent need to protect young people from a lifetime of nicotine addiction and associated health risks.

Electronic cigarettes are now the most commonly used form of tobacco among young people in the United States, surpassing conventional tobacco products, including cigarettes, cigars, chewing tobacco, and hookahs. The sale of flavored tobacco products entices young people to start using these harmful products which can lead to addiction and cause damage to the developing brain. Flavored tobacco products also increase individuals' risk for dual use of vape products and combustible cigarettes. E-cigarettes are currently the only tobacco product without a tax making it cheaper than other tobacco products. Taxation will act as a deterrent toward youth and those with lower socioeconomic status that are disproportionately affected along with people of color.

The taxation on tobacco products as well as providing tobacco education and cessation programs without monetary penalties for youth, is imperative if we are committed to protecting the health and well-being of our communities. Therefore, we urge you to support this measure and tax tobacco products in the State of Hawaii.

Mahalo,

Student Health Advisory Council

HB-537-HD-2

Submitted on: 2/23/2023 1:18:16 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Valerie Smalley	Individual	Support	Written Testimony Only

Comments:

Aloha

I am a parent and also a Tobacco Treatment Specialist who has spent the last 20 years supporting those in our state try to quit tobacco products.

I am in support of HB537 HD2 as it is a comprehensive regulation which includes: taxation, licensure, and prohibiting online sales of e-cigarettes which is needed to address the continued increase of e-cigarette use among our youth. Taxing tobacco products and cigarettes has been a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. This will provide those same stop gaps with e-cigarettes. Currently the age to purchase e-cigarettes is 21 but there it is impossible to enforce this if they can anyone can purchase it online. Please pass this bill to help with preventing youth from starting and purchasing these products online.

Thank You

Valerie Smalley

HB-537-HD-2

Submitted on: 2/23/2023 1:24:49 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Shelly Ogata	Individual	Support	Written Testimony Only

Comments:

Honorable Representative Kyle Yamashita, Chair

Honorable Representative Lisa Kitagawa, Vice Chair

Members of the Committee on Finance

Re: HB 537 HD2 Relating to Electronic Smoking Devices, Strong Support

Representatives Yamashita, Kitagawa and members of the Committees on Finance:

HB 537 HD 2 will address the continued escalation of e-cigarette use among our teens, putting our children’s health at risk – including becoming a lifelong addiction. By addressing the unlawful shipment of e-cigarettes, taxing them as tobacco products, and licensing and permitting sellers, you will implement comprehensive regulations to address this crisis.

As a graduate of the University of Hawai‘i School of Public Health and a lifelong resident of the State of Hawai‘i, I am expressing my **STRONG SUPPORT** of this bill. I strongly support proven strategies like taxing tobacco products and cigarettes. E-cigarettes are now the most popular tobacco product among youth – and that’s largely because it’s not subject to many of the regulations other tobacco products are subject to. By implementing the same policies and regulations Hawai‘i used to reduce cigarette use to record lows, we can reverse the trends in youth e-cigarette use.

Hawai‘i is in the midst of a youth vaping epidemic, with one in three high school students and one in five middle school students reporting “current use” of e-cigarettes. Hearing elementary school teachers and administrators from our district complain about the students using flavored vaping products and having to call 911 for health emergencies is gut-wrenching and unacceptable.

E-Cigarettes are the only tobacco products without a tax! Please also keep in mind that e-cigarettes are NOT FDA-approved for cessation and this regulation DOES NOT stop access to FDA-approved nicotine replacement therapy (approved smoking cessation products). Applying a meaningful tax has been proven to reduce use among youth. It is also important to dedicate a portion of the collected taxes to educational, preventative and cessation programs/services.

If we are truly trying to support our keiki and citizens of Hawai'i, I'm again respectfully requesting your support of this bill. If our aim is to protect our keiki and reduce the burden of tobacco in our communities, we must do better and we must do it now.

Shelly Ogata, RN, MPH

To: Hawaii State House Committee on Finance
Hearing Date/Time: Thursday, February 24, 2023, 3:30pm
Place: Hawaii State Capitol, CR 308 & Videoconference
Re: Judith Ann Armstrong is in strong support of HB537 Tax E-Cigarettes as Tobacco Products

Dear Members of the Finance Committee,

I, Judith Ann Armstrong, am in strong support of HB537 Relating to Electronic Smoking Devices.

- In Hawai'i, one in three high school students and one in five middle school students report that they currently use e-cigarettes, or "vapes." E-cigarettes are now the most popular tobacco product among youth – and that's largely because these products are not subject to many of the regulations other tobacco products are subject to.
- E-cigarettes are the only tobacco products without a tax, and we know that taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit.
- We support applying a meaningful tax on e-cigarettes because research shows that significant price increases reduce tobacco use among youth.
- Please include the taxation rate of 70% of the wholesale price to create parity between e-cigarettes and other tobacco products.

Thank you for this opportunity to testify in support of HB537.

Sincerely,

Judith Ann Armstrong

HB-537-HD-2

Submitted on: 2/23/2023 3:30:28 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Shani Carvalho	Individual	Support	Written Testimony Only

Comments:

I, Shani Carvalho, strongly support this bill for our keiki and for their future.

HB-537-HD-2

Submitted on: 2/23/2023 4:10:09 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Kimo Cruz	Individual	Oppose	Written Testimony Only

Comments:

Hell No!

Raise my taxes, lose my vote. Voted Democrat in 2022. Having second thoughts about that with bills such as HB551 and HB537 moving foward.

HB-537-HD-2

Submitted on: 2/23/2023 5:21:55 PM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Alex Abe	Individual	Oppose	Written Testimony Only

Comments:

I'm Alex and I oppose this bill.

My name is Diane Omura, and I am a retired health educator from the island of Maui, writing again in support of HB 551.

Kids are very gullible and even though they know that they are smoking a bunch of chemicals which will eventually kill them, if it tastes good, they will continue to experiment with new flavors and get addicted in the process. Using flavoring to lure kids is an unacceptable marketing strategy and allowing this to continue is unethical.

This is why I appreciate your attention to the role flavors play in hooking kids to vape. Vaping causes serious damage to the lungs and premature deaths. May I urge that you end the sales of flavored tobacco products, including menthols, which happens to be the most popular flavors among youth. Thank you for your time and consideration.

HB-537-HD-2

Submitted on: 2/24/2023 9:58:20 AM

Testimony for FIN on 2/24/2023 3:30:00 PM

Submitted By	Organization	Testifier Position	Testify
Carolyn Lee	Individual	Support	Written Testimony Only

Comments:

SUPPORT