



UNIVERSITY OF HAWAII SYSTEM

‘ŌNAEHANA KULANUI O HAWAII

Legislative Testimony

Hō'ike Mana'o I Mua O Ka 'Aha'ōlelo

Testimony Presented Before the
House Committee on Finance
Tuesday, April 4, 2023 at 3:00 p.m.

By

Lee Buenconsejo-Lum, Interim Dean
John A. Burns School of Medicine

And

Michael Bruno, Provost
University of Hawai'i at Mānoa

SB 975 SD2 HD2 – RELATING TO HEALTH

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

Thank you for the opportunity to present testimony today. The John A. Burns School of Medicine (JABSOM) **supports SB 975 SD2 HD2**, which establishes the criminal offense of unlawful shipment of tobacco products; includes electronic smoking devices and e-liquids under the definition of “tobacco products” for purposes of the cigarette tax and tobacco tax law; imposes an excise tax on each electronic smoking device or e-liquid sold, used or possessed by a wholesaler or dealer; and increases the license fee for persons engaged as wholesalers or dealers of cigarettes and tobacco products and the retain tobacco permit fee for retailers engaged in the sale of cigarettes and tobacco products.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii have decreased through the years, ESD use has rapidly increased, threatening significant public health gains through our Tobacco 21 law and tobacco youth access laws. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Recent federal action has been enacted to better regulate electronic nicotine delivery systems, with the implementation of the premarket tobacco product applications--the equivalent of a federal Food and Drug Administration scientific certification. All manufacturers of existing tobacco products and new tobacco products were required to submit premarket tobacco product application to the Food and Drug Administration by September 9, 2020, to continue legal sales of those products. In January 2021, the

Food and Drug Administration began issuing warning letters to manufacturers that failed to submit premarket tobacco product applications for products being marketed for sale.

The John A. Burns School of Medicine's training of medical students, residents, and fellows continues to include a variety of topics to ensure our learners understand policy implications, resources, and options to prevent, reduce, and/or facilitate quitting of tobacco products including ESD. Our populations at the highest risk for tobacco-related chronic disease remain the targets of the tobacco industry. A multi-pronged approach, including this legislation, will help reduce the widening of health disparities in cardiovascular and lung disease, and many cancers that we see disproportionately in Native Hawaiian and other Pacific Islander populations.

This measure will better regulate and ensure the removal of unsafe, noncertified electronic nicotine delivery systems from the marketplace and curb the use of electronic smoking devices and tobacco products by criminalizing the unlawful shipment of tobacco products, imposing an excise tax on electronic smoking devices and e-liquids, as well as increasing permit fees.

Thank you for this opportunity to testify.



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

ON THE FOLLOWING MEASURE:

S.B. NO. 975, S.D. 2, H.D. 2, RELATING TO HEALTH.

BEFORE THE:

HOUSE COMMITTEE ON FINANCE

DATE: Tuesday, April 4, 2023

TIME: 3:00 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. This bill establishes the offense of unlawful shipment of tobacco products; amends the definition of "tobacco products" in chapter 245, Hawaii Revised Statutes (HRS), to subject electronic smoking devices and e-liquids to taxation and regulation under the Department of Taxation; imposes an excise tax of an unspecified amount on the wholesale price of each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer on and after January 1, 2024; increases licensing and permit fees for wholesalers, dealers, and retailers of tobacco products; repeals chapter 28, part XII, HRS, relating to the Electronic Smoking Device Retailer Registration Unit; and repeals section 245-17, HRS, relating to Delivery Sales.

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.

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 testify.

Date: April 3rd, 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 SB975, Relating to Electronic Smoking Devices

Hearing: Thursday, April 4th at 3:00PM Via Videoconference

Thank you for the opportunity to submit testimony in SUPPORT of SB 975 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.

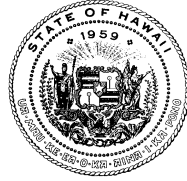
With products like Flume and other popular electronic smoking devices, it is increasingly clear that these products are addicting a whole generation of youth to harmful product. The Surgeon General has gone so far as to declare youth e-cigarette use an epidemic, and states that there is an urgent need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



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

**Testimony in SUPPORT of S.B. 975, S.D. 2, H.D. 2
RELATING TO HEALTH**

REPRESENTATIVE KYLE T. YAMASHITA, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: April 4, 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 Senate Bill 975, Senate Draft 2, House Draft 2
5 (S.B. 975, S.D. 2, H.D. 2) as a critical public health measure to address Hawaii's youth vaping
6 epidemic. S.B. 975, S.D. 2, H.D. 2 establishes the offense of unlawful shipment of tobacco
7 products, includes electronic smoking devices (ESDs) and e-liquids within the definition of
8 tobacco products and increases the wholesale license fee and retail tobacco permit fee for
9 persons engaged as wholesalers/dealers or retailers of cigarettes and tobacco products. The
10 measure also repeals state law that establishes and governs the Electronic Smoking Device
11 Retailer Registration Unit within the Department of the AG and provisions of the Cigarette Tax
12 and Tobacco Tax Law that govern delivery sales. The DOH respectfully recommends and offers
13 an amendment to remove language creating a new tax category and rate for ESDs and e-liquids.

14 The absence of protective policies to act as a preventive buffer between the promotion of
15 enticing ESDs, also known as e-cigarettes, and youth, contributed to the ongoing rise in frequent
16 use and unrestricted access to nicotine. Thirty-one percent of Hawaii's high school and eighteen
17 percent of Hawaii's middle school students reported using e-cigarettes in the past 30 days with

1 highest rates on the neighbor islands.^{1,2} The unrestricted promotion of e-cigarettes has addicted a
2 new generation of young people to nicotine, increased their exposure to harmful substances, and
3 the likelihood of their smoking cigarettes in the future.³ According to the Federal Trade
4 Commission, the amount of nicotine in disposable ESDs popular with youth and young adults
5 went up 60% from 2015 to 2018 and this raises serious public health and safety concerns because
6 of the long-term effects on their brain development.⁴ Comprehensive evidence-based prevention
7 policies are needed that restrict access and regulate e-cigarettes.

8 Hawaii does not regulate ESDs through licensing, permitting, nor taxation. ESDs are not
9 taxed like other tobacco products and often can be purchased at lower prices than cigarettes.
10 According to the U.S. Surgeon General, increasing the price of tobacco products is the single
11 most effective way to reduce consumption.⁵ An economic study by the University of Illinois,
12 reported that increasing the price of ESDs by 10% has been shown to lead to a 10% to 18%
13 reduction in the demand and consumption of ESDs – a higher price elasticity compared to
14 combustible cigarettes. Increasing the price of tobacco products has the greatest impact on
15 youth, who are particularly price sensitive.⁶

16 Requiring licensure and retail permitting under the DOTAX would bring ESD and e-
17 liquid vendors in alignment with the traditional cigarette and tobacco retailers and would
18 provide accurate data for compliance surveillance. As of 2022, 33 states, the District of

¹ HHDW. (2019). Hawaii-IBIS - Query Result—Hawaii’s Youth Risk Behavior Survey (YRBS) Data—Electronic vapor products—Use, past 30 days, High Schools, State-level. http://ibis.hhdw.org/ibisph-view/query/result/yrbs/VaporCurr/VaporCurr_HS_ST.html

² HHDW. (2019). Hawaii-IBIS - Query Result—Hawaii’s Youth Risk Behavior Survey (YRBS) Data—Electronic vapor products—Use, past 30 days, Middle Schools, State-level. http://ibis.hhdw.org/ibisph-view/query/result/yrbs/VaporCurr/VaporCurr_MS_ST.html

³ US Department of Health and Human Services. E-cigarette Use Among Youth and Young Adults: A Report of the Surgeon General. pdf icon [PDF – 8.47MB]. Atlanta, GA: US Department of Health and Human Services, CDC; 2016. Accessed July 27, 2018.

⁴ Federal Trade Commission, Bureau of Consumer Protection. Federal Trade Commission E-Cigarette Report for 2015-2018. Issued 2022.

⁵ 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].

⁶ 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).

1 Columbia, the Northern Mariana Islands, and the U.S. Virgin Islands required retailers to have a
2 license to sell ESDs.⁷ Tobacco licensing is an effective tool for limiting the negative public
3 health consequences of tobacco use by ensuring that wholesalers and retailers comply with
4 responsible sales practices. Increasing the licensure and permitting fees, which have remained
5 unchanged since 1995, despite high tobacco taxes and ever-increasing tobacco industry
6 expenditures in marketing and advertising, would be a further positive move.

7 The State Legislature's past support on comprehensive policy approaches for good health
8 and wellbeing has led to reductions in cigarette use over time. The DOH supports S.B. 975,
9 S.D. 2, H.D. 2 as an important legislative approach to address the youth vaping crisis in Hawaii
10 and respectfully recommends. The proposed language in this measure Section 1 (pages 1 to 3)
11 aligns with existing language in [§245-16, HRS Unlawful shipment of cigarettes; penalty; reports;](#)
12 [liability for unpaid taxes](#), and has been reviewed and vetted between the DOTAX, AG, and
13 DOH. Unregulated shipping (or importing) of tobacco products, particularly, ESDs ordered
14 online, has created a dangerous loophole, by providing an appealing and accessible option for
15 underage users. In the current unregulated online market, youth easily and often circumvent the
16 age verification process for purchasing tobacco. Minors were successful in buying ESDs online
17 93% of the time despite age restrictions according to the Internet Tobacco Vendors Study,
18 supported by the National Cancer Institute and the U.S. Food and Drug Administration. Another
19 study found that ESDs were often shipped from internet vendors without instructions or health
20 warnings. Due to the easy access for minors through online marketing, public health researchers
21 recommend more vigorous policies to prohibit sales to minors.^{8,9}

22 Further, the imposition of an excise tax equal to 70% of the wholesale price of each e-
23 liquid and ESD will be consistent with the tax on other tobacco products. Achievement of tax

⁷ 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>

⁸ Williams RS, Derrick J, Ribisl KM. Electronic Cigarette Sales to Minors via the Internet. *JAMA Pediatric*. 2015;169(3): e1563. doi:10.1001/jamapediatrics.2015.63.

⁹ Kong AY, Derrick JC, Abrantes AS, Williams RS. *What is included with your online e-cigarette order? An analysis of e-cigarette shipping, product and packaging features*. *Tobacco Control*. [Epub ahead of print] June 29, 2016. doi:10.1136/tobaccocontrol-2016-053061.

1 parity is important because when products are taxed at a lower rate, they become appealing
2 alternatives for those who are price sensitive, including youth.¹⁰ Conversely, taxing all products
3 at the same rate encourages people to quit rather than switch to cheaper products and prevents
4 youth from starting.¹¹

5 The DOH supports S.B. 975, S.D. 2, H.D. 2 as a critical public health measure to address
6 youth vaping in Hawaii and to minimize administrative burden, the DOH also offers an
7 amendment to remove language creating a new tax category and rate for ESDs and e-liquids.

8 The attached Table 1 shows the decline of cigarette use and increase in e-cigarette use
9 that is undermining progress in providing a healthy environment for our children where they live,
10 learn, and play.

11 Thank you for the opportunity to testify.

12 **Offered Amendments:** The DOH respectfully requests the following amendments:

13 On page 8, line 19, reinsert the period, and delete “; and”.

14 On page 8, lines 20 to 21, and page 9, lines 1 to 4, delete the following:

15 “(14) ___ per cent of the wholesale price of each electronic smoking device or e-liquid sold, used,
16 or possessed by a wholesaler or dealer on and after January 1, 2024, whether or not sold at
17 wholesale, or if not sold, then at the same rate upon the use by the wholesaler or dealer. “

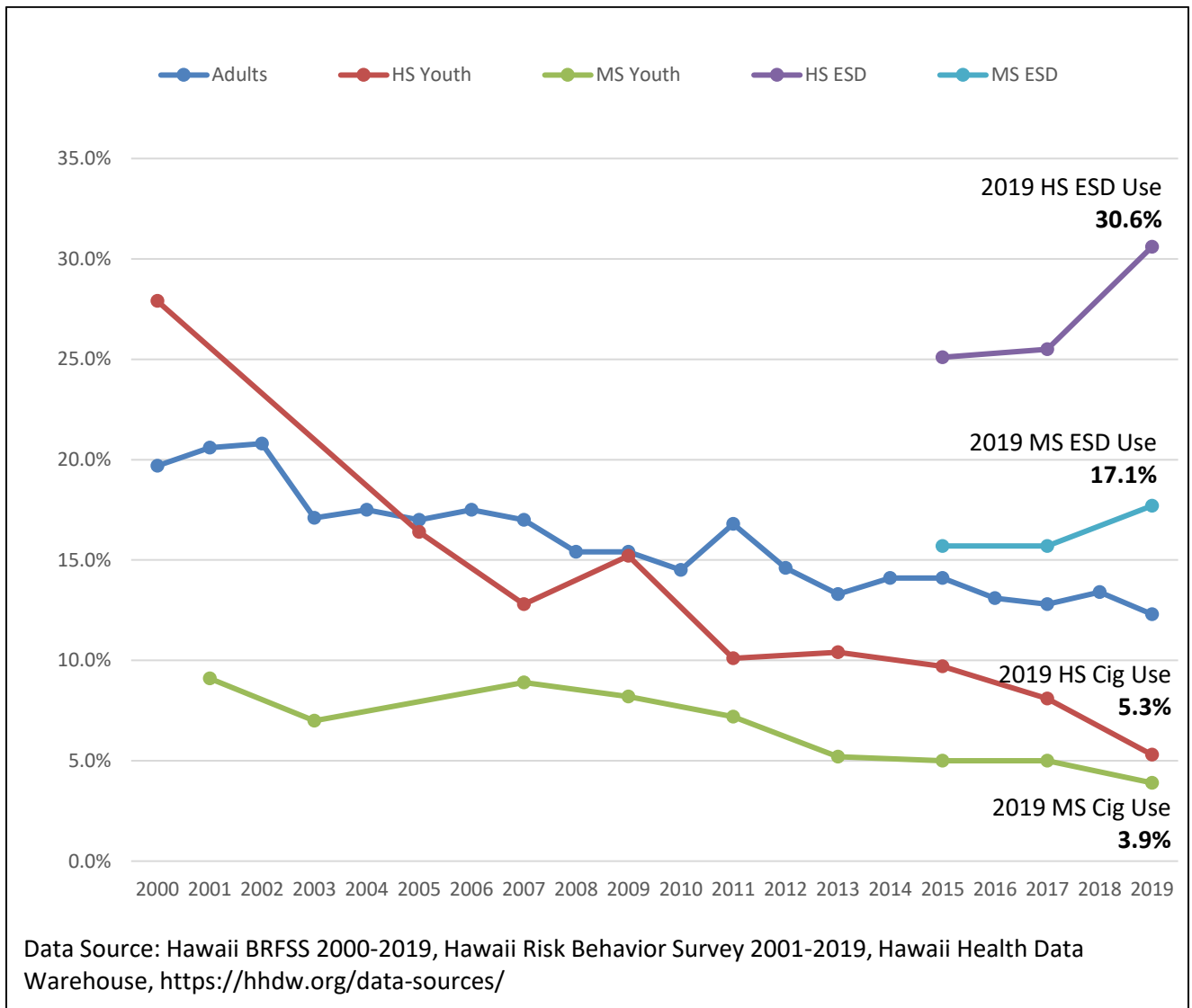
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¹⁰ American Cancer Society, Cancer Action Network. December 2020. The Importance of Tax Parity for All Tobacco Products. Retrieved March 17, 2023 from <https://www.fightcancer.org/sites/default/files/Need%20for%20tax%20parity%20factsheet%2012.2020%20final%20%281%29.pdf>

¹¹ American Cancer Society, Cancer Action Network. December 2020. The Importance of Tax Parity for All Tobacco Products. Retrieved March 17, 2023 from <https://www.fightcancer.org/sites/default/files/Need%20for%20tax%20parity%20factsheet%2012.2020%20final%20%281%29.pdf>

1 Table 1. Adult and High School Current Cigarette Use, and High School and Middle School Current E-
2 Cigarette (ESD) Current Use, Hawaii 2000 to 2019, Behavioral Risk Factor Surveillance System, Youth Risk
3 Factor Surveillance System



JOSH GREEN M.D.
GOVERNOR

SYLVIA LUKE
LT. GOVERNOR



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DEPARTMENT OF TAXATION
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GARY S. SUGANUMA
DIRECTOR

KRISTEN M.R. SAKAMOTO
DEPUTY DIRECTOR

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

TESTIMONY ON THE FOLLOWING MEASURE:

S.B. No. 975, S.D. 2, H.D.2, Relating to Health

BEFORE THE:

House Committee on Finance

DATE: Tuesday, April 4, 2023

TIME: 3:00 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 S.B. 975, S.D. 2, H.D. 2, for your consideration.

S.B. 975, S.D. 2, H.D. 2, seeks to amend chapter 245, Hawaii Revised Statutes (HRS), by: (1) amending chapter 245, HRS, to add a new section which establishes the unlawful shipment of tobacco products as either a felony or a misdemeanor; (2) amending section 245-1, HRS, by adding definitions for “electronic smoking device” and “e-liquid”; (2) amending section 245-1, HRS, to expand the definition of “tobacco products” and adding definitions for “electronic smoking devices” and “e-liquid”; (3) amending section 245-3, HRS, by adding a new subsection for an excise tax which is equal to an unspecified percent of the wholesale price for electronic smoking devices and e-liquid products sold, used or possessed, regardless of “wholesale” or “dealer” designation, beginning on and after January 1, 2024; (4) amending section 245-2, HRS, to raise the retail tobacco license fee to \$250; and (5) amending section 245-2.5, HRS, to raise the retail tobacco permit to \$50 and for the permit to specify whether the place of business sells electronic smoking devices, e-liquid, or both. The measure also repeals the Electronic Smoking Device Retailer Registration Unit under the Department of the Attorney General.

The measure has a defective effective date of June 30, 3000.

Because this version of the bill creates a new tax category and tax rate, the

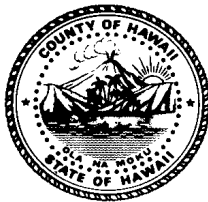
Department of Taxation Testimony
S.B. 975, S.D. 2, H.D.2
April 4, 2023
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Department requests that any amendment to the effective date be no earlier than January 1, 2025, to provide adequate time to update any relevant instructions and forms and make the necessary computer system changes.

Should the new section 245-3(a)(14) be deleted, and taxation of electronic smoking devices and e-liquids be instead included as a “tobacco product” under section 245-3(a)(12), the Department will be able to implement the changes with an effective date of January 1, 2024.

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

From the office of -
Council Member
District 3



Office: (808) 961-8396
Fax: (808) 961-8912
Email: sue.leeloy@hawaiicounty.gov

SUSAN L.K. LEE LOY

25 Aupuni Street, Hilo, Hawai'i 96720

April 2, 2023

The Honorable Representative Kyle Yamashita, Chair
The Honorable Lisa Kitagawa, Vice-Chair
Members of the House Committee on Finance

Hawaii State Capitol
415 South Beretania Street
Honolulu, HI 96813

Re: Support for SB975, SD2, HD2 relating to Health

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

Mahalo for the opportunity to testify in strong support of SB975, relating to health.

SB 975, SD2, HD2 will address the continued escalation of e-cigarette use among our youth, putting our children's health at risk – including becoming a lifelong addiction. By addressing the unlawful shipment of e-cigarettes, taxing them the same as other tobacco products, and licensing and permitting sellers, you will implement comprehensive regulations to address this crisis. This is an important bill that applies commonsense regulations to e-cigarettes.

As 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).

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.

Mahalo, again, for the opportunity to recognize the collaboration needed between the State and County. By partnering and focusing our efforts, we will protect our precious resources (keiki) and develop viable solutions for a more efficient and effective system.

Aloha Piha,

A handwritten signature in black ink, appearing to read "Susan L.K. Lee Loy". The signature is fluid and cursive, with a large, stylized "R" at the end.

Susan "Sue" L.K. Lee Loy
Council Member, County of Hawai'i, District 3
Chair, Policy Committee on Infrastructure and Assets



HIPHI Board

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Hawai'i Pacific Health

Dina Shek, JD
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For Children in Hawai'i

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Kaiser Permanente

May Okihiro, MD, MS
John A. Burns School of Medicine,
Department of Pediatrics

Titiimaea Ta'ase, JD
State of Hawai'i, Deputy Public
Defender

HIPHI Initiatives

Coalition for a
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: April 1, 2023

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

Re: Strong Support for SB975 SD2 HD1 Relating to Electronic
Smoking Devices

Hrg: Tuesday, April 4, 2023, at 3:00 PM

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Instituteⁱ is in **strong support of SB 975 SD2 HD2**, which would close the loophole of online sales to minors, place e-cigarettes into the definition of tobacco products in Chapter 245 while also requiring retailers to obtain the applicable license and permits to sell these products. This measure also imposes a tax percentage on these products. The measure has been amended by blanking out the rate at which e-cigarettes would be taxed.

The taxation language found in the original version of **SB975** is preferable because it implements an e-cigarette tax equal to that of other tobacco products. The original version of the bill has less administrative burden, and it is a more effective public health measure.

Taxation of Tobacco Products, including ESDs

Since 2016 e-cigarettes have been classified as tobacco products by the FDAⁱⁱ. Therefore, Including ESDs as part of the definition of tobacco products in Chapter 245 brings much-needed clarity. Once incorporated into that chapter, e-cigarettes **must be taxed with parity** while also being included into the existing regulation system via permitting and licensure making it easier to implement enforcement.

In a 2022 Ward survey of registered voters, 91% of those surveyed said **they 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.

E-cigarettes are just as addictive as cigarettes. In fact, e-cigarette users most often get more nicotine than they would from a combustible tobacco product. Users often buy extra-strength cartridges, which have a higher concentration of nicotine than a cigarette has.ⁱⁱⁱ Because e-cigarettes are the only tobacco products not subject to the Hawai'i State tobacco tax laws 1) these products are lower-priced tobacco alternatives with virtually no restrictions that can appeal to the youth, and; 2) the state is unable to collect tax revenue of an FDA defined tobacco product.

Raising taxes and increasing the price of tobacco products is a proven strategy to reduce consumption of tobacco/ nicotine for both adults and youth. It is important to maintain parity between products in order to ensure people do not switch to the less expensive alternative. Currently, 29 states and the District of Columbia have implemented e-cigarette taxes.^{iv}

Need to stop the unlawful online sales of ESDs

Currently, those under 21 are often able to obtain e-cigarettes via the Internet because online age verification is easily by-passed by youth. Limiting online purchases to licensed tobacco retailers and wholesalers will close this loophole in our Tobacco 21 law. This step is vital to ensuring minors are not able to more easily purchase online as in-person purchasing is more heavily monitored. Currently, federal law prohibits the shipment of combustible cigarettes. This would also bring regulation parity between cigarettes and ESDs.

ESD licensing and permits protect both consumers and merchants.

The Coalition supports requiring ESD sellers and vendors to obtain a tobacco permit and/or license, which is currently required for any tobacco retailer or wholesaler. This consistency would assist with communicating and enforcing current tobacco tax and purchase laws. It also places the responsibility on the retailer. They are more inclined to follow a rule if there is a consequence for selling to underage individuals, which is the way the system works for the sale of other tobacco products.

Comprehensive regulations on e-cigarettes are necessary to reverse the youth vaping epidemic.

Over two decades of tobacco prevention and control policy has helped Hawai'i save \$1 billion in healthcare costs,^v lowered the adult smoking rate to 11.6% (eighth lowest in the nation),^{vi} and reduced smoking prevalence among high school students to 5.3% in 2019.^{vii} These gains were achieved through a comprehensive approach which included: smoke-free air laws, imposing tobacco taxes, age restrictions, removing most flavors in cigarettes, and investments in tobacco prevention education and cessation.

E-cigarettes have evaded many tobacco prevention and control laws other tobacco products are subject to, leading to the rise of e-cigarettes, undoing decades of progress. In 2019, 1 in 3 (30.6%) public high school students and nearly 1 in 5 (18%) public middle school students in Hawai'i reported using e-cigarettes.^{viii} The state has an opportunity to reverse the youth vaping epidemic by implementing comprehensive policies and programs.

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 vaping^{ix}. 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.

This comprehensive regulation would **NOT** apply to any FDA-approved Nicotine Replacement Therapy (NRT) or FDA-approved non-nicotine cessation products. NRTs include over-the-counter and prescription products.^x E-cigarettes are not among these approved cessation methods.

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 this measure which will comprehensively regulate electronic smoking devices.

Thank you for considering the requested change that would include tax parity between e-cigarettes and other tobacco products, in order to move forward a comprehensive policy that will better protect the health of our communities.

Mahalo,



Peggy Mierzwa
Director of Policy & Advocacy
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 <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>

ⁱⁱⁱ <https://www.hopkinsmedicine.org/health/wellness-and-prevention/5-truths-you-need-to-know-about-vaping#:~:text=What's%20worse%2C%20says%20Blaha%2C%20many,greater%20hit%20of%20the%20substance.>

^{iv} <https://www.tobaccofreekids.org/assets/factsheets/0169.pdf>

^v Holmes JR, Ching LK, Cheng D, Johnson L, Yap L, Starr RR and Irvin L. 2018. Tobacco Landscape. Honolulu: Hawai'i State Department of Health, Chronic Disease Prevention and Health Promotion Division

^{vi} Centers for Disease Control and Prevention (CDC). Behavioral Risk Factor Surveillance System Survey Data. Atlanta, Georgia: US Department of Health and Human Services, Centers for Disease Control and Prevention, 2020.

^{vii} 2019 Youth Risk Behavior Surveillance System (YRBSS). Available at: www.cdc.gov/yrbss.

^{viii} 2019 Youth Risk Behavior Surveillance System (YRBSS). Available at: www.cdc.gov/yrbss.

^{ix} 2019 Youth Risk Behavior Surveillance System (YRBS). Available at: www.cdc.gov/yrbss.

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



**Testimony to the House Committee on Finance
Tuesday, April 4, 2023; 3:00 p.m.
State Capitol, Conference Room 308
Via Videoconference**

RE: SENATE BILL NO. 0975, SENATE DRAFT 2, HOUSE DRAFT 2, RELATING TO HEALTH.

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 THE INTENT** of Senate Bill No. 0975, House Draft 2, RELATING TO HEALTH.

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 strengthen tobacco regulation throughout the State. Among other things, this bill would tax electronic smoking devices, impose criminal sanctions on certain tobacco-related commercial activities, and increase various permit fees.

This bill would take effect on June 30, 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.



SB975 SD2 HD2 Tax E-Cigarettes

COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

Tuesday, Apr 4, 2023, 3:00 : Room 308 Videoconference

HSAC Supports SB975 SD2 HD2:

GOOD MORNING 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 for substance use disorder and co-occurring mental health disorder treatment and prevention agencies and recovery services.

HSAC agrees that this tax bill could place e-cigarettes into the definition of tobacco products in Chapter 245 while also requiring retailers to obtain the applicable license and permits to sell these products.

It's important to close the loophole of illegal online sales to minors.

The language should address online sales and implement an e-cigarette tax equal to that of other tobacco products.

Let's lessen the administrative burden, while making it a more effective public health measure.

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

COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

Tuesday, April 4, 2023 – 3:00PM - Room 308

**Support for Senate Bill 975, Senate Draft 2, House Draft 2 Relating to Health
With Suggested Amendment**

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease, through research, education, and advocacy. The work of the American Lung Association in Hawai'i and across the nation is focused on four strategic imperatives: to defeat lung cancer; to improve the air we breathe; to reduce the burden of lung disease on individuals and their families; and to eliminate tobacco use and tobacco-related diseases.

The American Lung Association in Hawai'i supports Senate Bill 975, Senate Draft 2, House Draft 2.

This bill defines “tobacco products” to include electronic smoking devices, which is crucial towards ending the vaping epidemic in Hawai'i's youth. This bill will amend Chapter 245 definition of tobacco products to include the definition of all devices used to delivery aerosolized or vaporized nicotine and its components that are used in the consumption of tobacco products. By adding the definition of tobacco products to include all electronic smoking devices and their components, we can bring tax parity amongst the various tobacco products. Research has shown that increasing taxes on tobacco products is a deterrent for tobacco use, particularly in youth. **It is imperative this bill is amended to so that taxes for vaping products are in parity with other tobacco products in order to truly see the public health impact of this bill.** That means taxing electronic smoking devices and its components at the 70% of the wholesale price, which would equal the same tax rate currently experienced by other tobacco products.

This bill would also require licensing/permitting for e-cigarette sellers, prohibit the online sale of tobacco products, increase the fee for tobacco permits and licenses. This is an essential component as electronic cigarette vendors have flourished under the current lax regulations in the state, which has precipitated the vaping epidemic in our state.

With our current laws, youth under 21 can order and obtain electronic cigarettes and its components, including e-liquids, via online sales as online verification is not enforced and can handily subverted by people under 21. Limiting online purchases to licensed tobacco retailers and wholesalers will close this loophole in our Tobacco 21 law.

The need for Hawai'i to protect youth from tobacco is more urgent than ever, with youth e-cigarette use reaching epidemic levels. According to the Centers for Disease Control, in 2019 nearly every 1 in 3 high schoolers in Hawai'i vape regularly. This is an over 70% increase in youth vaping rates since 2017. Native Hawaiians and Pacific Islanders have even higher vaping rates than the youth state average.¹

The American Lung Association in Hawai'i urges legislators to continue to support and advocate for policies to protect youth from tobacco use through tax parity. We support the current version of Senate Bill 975, Senate Draft 2, House Draft 2 with the amendment to to specify that e-cigarettes and its components be taxed at 70% wholesale price and ask your committee to pass the measure.

Mahalo,

¹ American Lung Association. *State of Tobacco Control – Hawai'i*. 2020



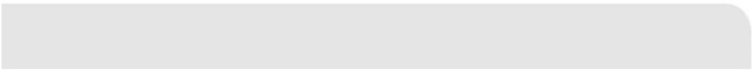
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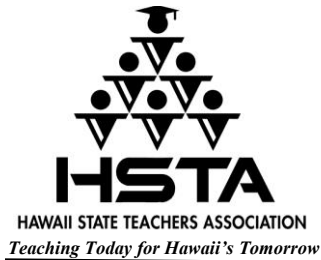
Pedro Haro

Executive Director

American Lung Association in Hawai'i

pedro.haro@lung.org





Osa Tui, Jr.
President
Logan Okita
Vice President
Lisa Morrison
Secretary-Treasurer
Ann Mahi
Executive Director

TESTIMONY BEFORE THE HOUSE COMMITTEE ON FINANCE

RE: SB 975 SD2 HD2 - RELATING TO HEALTH

TUESDAY, APRIL 4, 2023

OSA TUI, JR., PRESIDENT
HAWAII STATE TEACHERS ASSOCIATION

Chair Yamashita and Members of the Committee:

The Hawai'i State Teachers Association **supports SB 975, SD2, HD2**, relating to health. This bill establishes the offense of unlawful shipment of tobacco products. Includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law. Beginning 1/1/2024, imposes an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer. Increases the license and permit fees for wholesalers, dealers, and retailers. Repeals the electronic smoking device retailer registration unit under the department of the attorney general. Repeals provisions governing delivery sales.

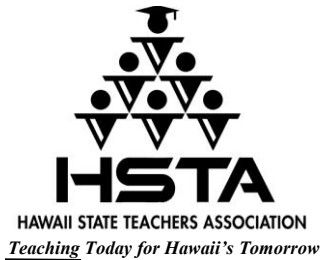
E-cigarette use continues to escalate among our teens. It puts our children's health at risk and becomes a lifelong addiction. By addressing unlawful shipment of e-cigarettes, taxing them as tobacco products, and licensing & permitting sellers, we are implementing comprehensive regulations that will address this crisis.

E-cigarettes have evaded many tobacco regulation laws for decades, leading to a sharp rise in the use of these products, especially by our youth, who are enticed by their unregulated marketing and lack of proper regulatory controls on an addictive drug, nicotine. **Thus, comprehensive regulation and taxation will be a major step in reversing youth use of e-cigarettes. HSTA respectfully asks you to please insert language to tax e-cigarettes at 70% of the wholesale price**

Two decades of comprehensive regulation on cigarettes and other tobacco products helped Hawaii and has saved \$1 billion in healthcare costs and reduced high school smoking to 5.3% in 2019 (CDC YRBS 2017-19).

Contrary to what you may have heard, e-cigarettes are not FDA-approved cessation devices. Comprehensive tobacco regulation will not stop access to FDA-approved nicotine replacement therapy (NRTs)- approved smoking cessation products.

E-cigarettes are the only tobacco products without a tobacco tax, this needs to be changed with this bill. We, as a state, must also address unregulated,



Osa Tui, Jr.
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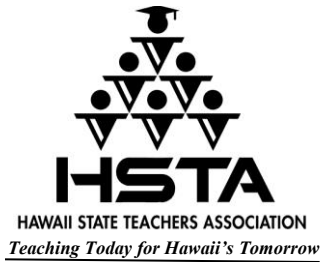
unchecked online sales of e-cigarettes directly to customers. We must require face-to-face purchases for that will make it harder for our youth to obtain these products via the internet. Licensed tobacco retailers would still be able to receive shipment of products.

Taxation, regulation, licensing & permitting, education, and cessation services are components of comprehensive tobacco regulation and a key to lowering the use of tobacco by our youth.

The use of e-smoking products among our youth is at epidemic levels, especially in Hawaii. According to the 2017 Youth Risk Behavior Survey, **Hawai'i has one of the highest rates of middle and high school usage in the nation at 15.7% and 25.5% respectively.** Moreover, 27% of middle school students and a whopping 42% of high school students have tried e-cigarettes. On the neighbor islands, usage trends are particularly concerning—in Hawai'i county 34% of students reported they are regular users while on Kauai 32% are regular users.

Adolescence is a time of crucial brain development; it has been documented that nicotine exposure during adolescence and young adulthood can cause addiction and harm the developing brain. Additionally, nicotine is not the only harmful ingredient in electronic smoking devices; other harmful and potentially harmful ingredients include ultrafine particles that can be inhaled deep into the lungs, flavorants such as diacetyl, a chemical linked to serious lung disease, volatile organic compounds, and heavy metals such as nickel, tin, and lead.

- E-cigarettes have evaded many tobacco regulation laws for decades, leading to a sharp rise in the use of these products, especially by young people, who are enticed by their unregulated marketing and lack of proper regulatory controls on an addictive drug, nicotine.
- Comprehensive regulation will be a major step in reversing youth use of e-cigarettes.
- Two decades of comprehensive regulation of cigarettes and other tobacco products has helped Hawai'i save \$1B in healthcare costs.
- Comprehensive regulation has lowered the adult smoking rate to 11.6%; and
- Reduced high school smoking to 5.3% in 2019 (CDC YRBS 2017-2019).
- E-cigarettes are not FDA-approved cessation devices.
- Comprehensive tobacco regulation does not stop access to FDA-approved nicotine replacement therapy (NRTs) – approved smoking cessation products.
- E-cigarettes are the only tobacco products without a tobacco tax.
-



Osa Tui, Jr.
President
Logan Okita
Vice President
Lisa Morrison
Secretary-Treasurer
Ann Mahi
Executive Director

- Unregulated, unchecked online sales of e-cigarettes needs to be addressed. This measure restricts online sales of e-cigarettes directly to consumers – requiring face-to-face purchases makes it harder for youth to obtain these products via the internet. Licensed tobacco retailers would still be able to receive shipments of products.
- Taxation, regulation, licensing & permitting, education, and cessation services are components of comprehensive tobacco regulation and a key to lowering the use of tobacco use.

Lastly, thank you for not adding any fines for our youth, as HSTA opposes these fines, as we feel our students are the victims in this case. It is the predatory tactics of the vaping industry on our youth that need to be regulated and taxed. So please do NOT add any fines or punishment on our youth who are the victims here. We just want to make this stance clear from the start.

To reduce the youth vaping epidemic and ensure the long-term health and well-being of our keiki, the Hawai'i State Teachers Association requests you **support** this bill.

SB-975-HD-2

Submitted on: 4/2/2023 10:55:32 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Luke YM Itomura	Coalition for a Tobacco-Free Hawaii Youth Council	Support	Written Testimony Only

Comments:

E-cigarettes are the only tobacco products without a tobacco tax. E-cigarettes have evaded tobacco regulation laws for decades, leading to increased usage of tobacco products, especially by young people with fewer income sources. I know many teens and adults in their twenties who don't have to consider the costs of e-cigarettes as much as they should when factoring in the consequences. The extra step of considering the cost of an e-cigarette before usage will prove to be a significant step in reversing the youth's use of e-cigarettes.



Parents And Children Together

BUILDING THE RELATIONSHIPS
THAT MATTER MOST

ParentsAndChildrenTogether.org

TESTIMONY IN SUPPORT OF SB 975 SD2 HD2 Requesting Amendment

TO: Chair Yamashita, Vice-Chair Kitagawa, & Members,
House Committee on Finance
FROM: Ryan Kusumoto, President & CEO
DATE: April 4, 2023 at 3:00 PM

Parents and Children Together (PACT) supports SB 975 SD2 HD2 Relating to Health and requests that the committee amend the bill back to version SD2, which requires e-cigarettes to be taxed at 70% of the wholesale price, the same as other tobacco products, and restricts online sales to prevent youth access.

Founded in 1968, 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, we help identify, address, and successfully resolve challenges through our 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. 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>).

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. In addition to a ban on flavored tobacco products, 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. 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.

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



**TESTIMONY OF TINA YAMAKI, PRESIDENT
RETAIL MERCHANTS OF HAWAII
APRIL 04, 2023
Re: SB 975 SD2 HD2 RELATING TO HEALTH**

Good afternoon, Chair Yamashita and members of the House Committee on Finance. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We are in opposition to SB 975 SD2 HD2 Relating to Health. This measure includes establishes the offense of unlawful shipment of tobacco products; includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law; beginning 1/1/2024, imposes an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer; increases the license and permit fees for wholesalers, dealers, and retailers. Repeals the electronic smoking device retailer registration unit under the department of the attorney general; and repeals provisions governing delivery sales.

Any time there is an increase in retail operations albeit raising of taxes and implementation of fees or increase in shipping and goods, the cost is passed down to the consumer. **While the assumption is that if electronic smoking products are too expensive, less people will purchase them. This is not the case.** We will see more people finding ways to purchase them from military facilities where there are no taxes charged, furthermore these pushes vape products to be even more desirable on the black market where prices are lower. Vape products are one of the most desirable items that shoplifters target, even when we have them behind the registers or behind lock and key. And many of the goods sold on the black market have been stolen from retailers.

If raising the taxes is to is meant to deter people from smoking or vaping it may have the opposite effect and have them turn to back to cigarettes. In 2021 The New England Journal of Medicine published an article that found that e- cigarettes were nearly twice as effective as conventional nicotine replacement products, like patches and gum, for quitting smoking. The study was conducted in Britain and funded by the National Institute for Health Research and Cancer Research UK.

If the raising of fee is to deter youth from obtaining smoking or vape products, then the focus should be on cracking down on those who are illegally and intentionally letting minors obtain these products. Hawaii already has a law in place that states that it is unlawful for a person under the age of 21 years to purchase electronic vaping devices, e-liquids and tobacco products. The majority of the shops on our islands are responsible and have a policy that they will Not sell a vape device or products to anyone 21 years old and under. **Many of whom are underage are obtaining their cigarettes and vaping devices from their parents or older friends who purchase it for them or the minors are purchasing them on the black market.** Retailers often go as far as to not selling to the adult that accompanies the minor into the store if it is revealed that the device or product that they are seeking to purchase is for the minor. Retailers have no control over their products once they are sold and the customer walks out the door with them. It is often the case that an adult family member or friend that purchases the vape devices or tobacco products for the minors and gives it to the minor away from the retail store.

Many retailers statewide are already operating on a thin margin and face stiff competition. Raising the tobacco tax and permit fee exponentially will truly hurt locally owned businesses, especially the small locally owned businesses' and may potentially force some of them to close. We will see more people finding ways to purchase them from military facilities where there are no taxes charged or purchase them through the black market where tobacco and e-cigarettes are sought-after items to steal by retail organized crime.

We urge you to hold this measure.

Mahalo for this opportunity to testify.



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Honolulu, Hawaii 96813
Phone: 808.597.6550
www.papaolalokahi.org

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

Tuesday, April 4, 2023, 3:00 PM, Conference Room 308 & Videoconference

RE: SB 975 SD 2 HD 2 – RELATING TO HEALTH
Position: STRONG SUPPORT with AMENDMENTS

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

Papa Ola Lokahi testifies in **STRONG SUPPORT** for **SB 975 SD 2 HD 2** and **asks that your committee includes language to tax e-cigarettes at 70% of the wholesale price and restrict online sales to prevent youth access.** 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.

E-cigarettes are the only tobacco products without a tax and have evaded many tobacco regulation laws for decades. This has led to a sharp increase in the use of these products, especially by young people, enticed by their unregulated marketing and lack of proper regulatory controls on an addictive drug, nicotine. Comprehensive regulation will be a meaningful step in reversing the increasing trend of youth e-cigarette use in Hawaii.

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 Youth Risk Behavioral 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. 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 using tobacco products increases adverse health outcomes, 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** to this critical issue and for helping to safeguard the health and safety of our keiki and communities.

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.



TO: The Honorable Kyle Yamashita, Chair
The Honorable Lisa Kitagawa, Vice Chair
House Committee on Finance

FROM: Philip Bossert, Executive Director
Hawaii Association of Independent Schools

RE: **SB 975 SD2 HD2 – RELATING TO HEALTH
In Support**

DATE: Tuesday, April 4, 2023; Agenda #1
3:00 p.m.; conference room 308 & videoconference

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

My name is Philip Bossert, and I am the Executive Director of the Hawaii Association of Independent Schools.

The Hawaii Association of Independent Schools (HAIS) strongly supports SB 975 SD2 HD2.

HAIS is a membership organization that currently represents as members 100 of Hawaii's independent and private K-12 schools; and, through its subsidiary, the Hawaii Council of Private Schools (HCPS), licenses all 114 private K-12 schools in the State.

Approximately 33,000 students attend Hawaii's independent, private and parochial schools and all of them – especially those students of middle school and high school age – are endangered by the current vaping epidemic plaguing Hawaii. Vaping not only endangers the health of students in the present, but likely also for the rest of their lives.

HAIS and its member schools support SB 975 SD2 HD2 because, in creating effective regulations for the sale of e-cigarettes and flavored tobacco products to persons under the age of 21, it will make vaping both less attractive and more difficult to pursue by elementary and secondary school students and help to protect the current and future generations of Hawaii's citizens.

Thank you for the opportunity to submit testimony in support.



Chair Yamashita
Vice Chair Kitagawa

House Committee on Finance

Tuesday, April 4, 2023
3:00 PM

TESTIMONY IN STRONG SUPPORT OF SB975 SD2 HD2 RELATING TO HEALTH

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

The Hawai‘i State Youth Commission was first created through Act 106 in 2018, “to advise the governor and legislature on the effects of legislative policies, needs, assessments, priorities, programs, and budgets concerning the youth of the State.” As representatives of the youth of Hawai‘i, the commission is committed to promoting inclusivity, opportunity, and progress in Hawai‘i. This includes the *health* of Hawai‘i’s youth. That is why the commission strongly supports this measure, because its efforts to address the unlawful shipment of e-cigarettes, tax them as tobacco products, and license and permit sellers is crucial to decreasing tobacco use among youths, thereby improving the health and lives of both Hawaii’s youth and the communities that they live in.

The Hawai'i State Youth Commission's Public Health legislative committee is in **strong support** of **SB975 SD2 HD2**. However, we respectfully urge the committee to **amend the language** of the bill back to the language taxing e-cigarettes at 70% of the wholesale price found in SD2. This is because a 70% taxation will ensure that e-cigarettes are taxed the same as other tobacco products, which, in other states, have helped to decrease underage tobacco use and the negative health effects of such products on youths and keiki. Furthermore, regulating online sales will prevent youth from accessing e-cigarettes, decreasing incentive for youth addiction. By taking these actions starting this year, we can tackle the youth vaping epidemic and prevent more youths from being lost to addiction and disease.

Therefore, the Hawai'i State Youth Commission strongly urges the committee to **PASS and AMEND SB975 SD2 HD2**, so that we can prevent the dangers of tobacco from affecting any more keiki.

Mahalo for the opportunity to testify,

The Hawai'i State Youth Commission
hawaiistateyc@gmail.com



April 3, 2023

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 SB 975, legislation that would allow local governments to regulate tobacco products and reduced-risk alternatives at severe detriment to the state.** SB 975 seeks to increase the tax rate on vapor products by 70% of the wholesale price. E-cigarettes are subject to the same tax rate as other vapor products, which can prove to be detrimental to adults as they are looking for a reduced-harm alternative 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.

It is simply good governance that matters of this magnitude be decided at the state level, due to both the level of increased scrutiny, transparency and accountability it provides, but also the direct impact local regulation of tobacco can have on state tax revenue. Retaining regulatory consistency and uniformity throughout the state in terms of tobacco policy will safeguard residents and businesses from poorly thought-out local restrictions and will protect the state's revenue stream in uncertain economic conditions. **As such, it is imperative that this proposal does not pass.**

This misguided legislation encourages local governments to pass harmful regulations on reduced-risk nicotine products like e-cigarettes, which are shown to be 95% [less harmful](#) than cigarettes and the most effective tool for smoking cessation. The local regulations that SB 975 would allow for can be expected to lead to drastic increases in cigarette smoking in Hawaii, leading to a clear increase in tobacco related mortality.

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.

That same study found that for each 10% increase in the tax rate on e-cigarettes, e-cigarette sales can be expected to drop 26% while combustible cigarette sales will rise 11%. **This proposed tax hike on e-cigarettes is expected to lead to a massive increase in cigarette sales. This will cost lives.**

It is the fundamental responsibility of state governments to protect their citizens. At times, these threats can come from local government officials. In the instance of tobacco harm reduction policies, local government officials act without the degree of scrutiny and accountability found at the state level. Similarly, lacking the expertise in healthcare policy, local restrictions and levies may act contrary to all available science and data, serving to restrict the ability of smokers to quit smoking with the help of reduced risk tobacco alternatives.

Studies have repeatedly shown that flavored vapes, which SB 975 would allow localities to regulate, are critical to helping adult smokers make the switch to vaping. Adults who use

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flavored vapor products are 43% more likely to quit smoking than an adult who uses unflavored products, according to a [study](#) from ten of the world's top experts in cancer prevention and public health.

A [study](#) from Dr. Abigail Friedman at the Yale School of Public Health found that youth smoking doubled when San Francisco imposed a flavor ban in 2018. Before San Francisco's flavor ban, the city had lower youth smoking rates than comparable counties like New York and Los Angeles. After the flavor ban, San Francisco's youth smoking rate rose to 6.2% while comparable districts had an average rate of 2.8%. SB 975 would allow for localities to create public health disasters like in San Francisco. **Voting for SB 975 would be inviting a public health disaster, like the one that occurred in San Francisco, into Hawaii.**

It is important to note that, contrary to some arguments made by opponents of this bill, "local control" at its core is about safeguarding individual liberties and restricting the growth of government; it is not a free pass for cities to do whatever they want. Localities are just as capable of being conduits for heavy-handed laws that will harm citizens. When that is at stake, state action is not only appropriate to safeguard individual freedoms – it is essential.

Additionally, prohibitions on e-cigarettes and tobacco products 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, local 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.

Further, SB 975 seeks to define e-cigarettes as tobacco products, failing to differentiate them from more harmful tobacco products like cigarettes. This will harm public health by **failing to ensure appropriate licensure and regulation of alternative nicotine products.** Vapor products are [shown to be at least 95% less harmful](#) than combustible cigarettes and are also more than [twice as effective](#) at helping smokers quit than traditional nicotine replacement therapies. It would be a serious mistake for the Hawaii legislature to pass SB 975 and treat vaping products the same as deadly cigarettes.

SB 975's vaping tax hike will also have negative consequences for Hawaii. Imposing taxes on e-cigarettes 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.

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. SB 975 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.

SB 975 would also add nicotine pouches to the state definition of tobacco products, subjecting these extremely low-risk products to the same tax rate as significantly more harmful products. Nicotine pouches are entirely tobacco-free and have a very low toxicant profile, containing only trace amounts of chemicals. These products provide users with nicotine, an addictive but relatively benign substance like caffeine, while removing nearly all the harms that come along with traditional tobacco products. **Implementing taxes on nicotine pouches, as SB 975 seeks to do, would drive reduced-risk consumers to more harmful products like cigarettes, harming public health considerably.**

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% less harmful 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. SB 975 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.
- 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 28,600 lives in Hawaii.**

For the reasons outlined above, in the interests of public health, protecting small businesses, state tax revenues, and preventing the spread of smuggling cartels in Hawaii, we call upon you to **accept the science and vote against SB 975**. Over 25,000 lives quite literally depend upon it.

Sincerely,

Tim Andrews
Director of Consumer Issues
Americans for Tax Reform



American
Heart
Association.

American Heart Association testimony offering **COMMENTS** and suggested
AMENDMENT on
SB 975, SD2, HD2 “Relating to Health”

Chairman of the Board

Jason Fujita

President

Zia Khan, MD

Board Members

Rick Bruno, MD, FACEP

Greg Christian

Jackie De Luz

Michael Lui, MD

Ben Morgan

Michael Rembis, FACHE

Andrew S. Rosen

Ben Salazar

David Underriner

Jennifer Walker

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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.

The American Heart Association offers comments on SB 975, SD2, HD2 and the need to effectively tax e-cigarettes at a rate in parity with other state tobacco taxes to reduce underage usage. **We strongly recommend setting the e-cigarette and e-cigarette liquid excise tax at a level that would create parity with other tobacco products. Only then would this legislation be fully effective in beginning to reign in our state’s youth vaping epidemic.**

E-cigarettes have been falsely marketed as a safe alternative to traditional cigarettes and as a tool to help adult smokers quit. Tobacco companies are targeting youth and addicting a new generation to tobacco and nicotine, reversing the decades-long progress that has been made in reducing youth tobacco use. **The federal Food and Drug Administration has not approved a single e-cigarette product as an effective, or safe nicotine cessation product.**

Parity with other tobacco product taxes is needed to insure the effectiveness of an e-cigarette tax. All e-cigarettes and other new tobacco products should be taxed at rates that achieve parity with the average cigarette tax rates in each state. Until more clarity is provided about the relative harms and risks of new tobacco products as determined by the FDA, it is appropriate to tax these products at the same rate as combustible cigarettes. **Taxing e-cigarettes at a rate less than parity with other tobacco product taxes in the state would allow tobacco companies to apply their vast marketing resources to continue to target, entice and addict Hawaii youths to their lowest cost products.**

Cigarette smoking is responsible for more than 480,000 deaths per year in the United States, including more than 41,000 deaths resulting from secondhand smoke exposure. This is about one in five deaths annually, or 1,300 deaths every day. Total economic cost of smoking in the U.S. is more than \$300 billion a year, including nearly \$170 billion in direct medical care for adults. More than \$156 billion in lost productivity due to premature death and exposure to secondhand smoke. In Hawaii alone, it annually claims 1,100 lives each year and \$526 million in healthcare costs are directly attributed to smoking in our state.

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 there is more work needed to fully understand all the dangers of e-cigarettes, there is now ample evidence they’re harmful to both growing minds and bodies, as well as to adults.

Supporters of the tobacco industry often hold up a 10-year-old study done in England, the results of which have been characterized and repeated in the popular media as e-cigarettes are “95% less risky” or “95% less harmful” than combustible

cigarettes. However, as the study's authors noted in a sweeping statement regarding the shortcomings of their own work, "A limitation of this study is the lack of hard evidence for the harms of most products on most of the criteria." Pro-tobacco representatives fail to mention that part of the study.

Also, the fact that the study, published in *The New England Journal of Medicine*, was conducted in England is significant because the e-cigarettes in England are far different from those in the U.S. English products have much lower levels of nicotine, regulated by the government, and physicians there actually encourage their use with medical guidance to quit nicotine addiction.

There is ample evidence that the range of e-cigarette products available today in Hawaii and the U.S. are very different from those studied in July 2013.

E-cigarette liquids have changed considerably from 2013, with widespread availability of thousands of flavors that use chemicals "generally recognized as safe" to eat **but, importantly, not to inhale**. Perhaps the most striking change has been the pervasive marketing of liquids with "nicotine salt." Nicotine salt is made by adding an acid to free-base nicotine, thus introducing another potential toxicant that was rare in 2013. Relative to free-base nicotine, aerosolized nicotine salt liquid is less aversive to inhale, allowing users to increase the nicotine concentration of the liquid and likely increase their own nicotine dependence. Nicotine salt e-cigarette liquids used in most e-cigarette products available today can contain unusually high levels of nicotine. One e-cigarette refill pod can contain as much or more nicotine as an entire pack of cigarettes and kids are sometimes vaping 2-4 pods a day. And open pod e-cigarette products popular among Hawaii youths can contain even much more nicotine.

That's especially troubling because many studies in animals show nicotine is a neurotoxin (a poison affecting the nervous system). It can affect brain development from early fetal life through adolescence, permanently changing the ability to think or reason.

More recent research has shown that e-cigarette use increases heart rate, blood pressure, and platelet activation, and decreases flow-mediated dilation and heart rate variability, effects that are prognostic of long-term cardiovascular risk such as myocardial infarction (heart attack) and coronary artery disease. Other studies as recent as November 2022 indicate that e-cigarette users may be at increased risk by decreasing blood flow in the heart even more than traditional cigarettes and can worsen heart disease risk factors such as high cholesterol.

Tobacco companies are targeting youth and addicting a new generation to tobacco and nicotine, reversing the decades-long progress that has been made in reducing youth tobacco use. Taxing tobacco products has an established history of reducing youth tobacco usage rates.

Big Tobacco has a history of misrepresenting facts about nicotine and smoking. So, vaping-safety claims from industry or research supported by industry should be met with skepticism.

The idea that vaping is a better way to quit cigarettes than reliable methods using FDA-approved nicotine replacement products isn't backed up by the weight of science.

Of the small number of studies about this, most show no advantage for e-cigarettes over the temporary use of FDA-approved products such as gum, lozenges, and patches. The latter products have been proven helpful as part of an overall program for quitting, which should also include counselling and can include medications to reduce cravings.

Some U.S. smokers have used e-cigarettes to quit, but a growing body of studies shows that approach doesn't work for many people. They cut back, but they still smoke while vaping and they remain addicted to nicotine. That's called "dual use" in public health literature. The dangers of cigarettes remain, with the added dangers of vaping.

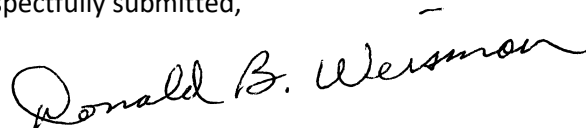
The Association advises anyone quitting smoking to get off nicotine products altogether, using FDA-approved tools proven to be effective. We also don't want anyone to ever start using any nicotine-containing product.

E-cigarettes are now the most popularly used tobacco product among Hawaii's youth. On neighbor islands, regular use of e-cigarettes by youths is even more pronounced.

The American Heart Association of Hawaii urges legislators to pass comprehensive, science-based policies (including banning flavors from all tobacco products, increasing taxes on e-cigarette products to create parity with traditional tobacco products, and requiring retailers who sell e-cigarettes, to obtain a license tied to meaningful fines for illegal sales to minors) to help reduce Hawaii youth vaping epidemic.

Please amend SB975, HD2 by setting the e-cigarette and e-cigarette liquid excise tax at a rate that would create parity with other products and make them less attractive and less accessible to our youths.

Respectfully submitted,



Donald B. Weisman
Government Relations/Communications and Marketing Director



Date: April 4th, 2023

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

From: Lindsey Freitas, Advocacy Director, Campaign for Tobacco-Free Kids

Re: **Comments: SB975 SD2 HD 2, Relating to Health**

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

The Campaign for Tobacco-Free Kids is submitting the following comments on SB 1447 SD2 HD2. We strongly support policies that tax all tobacco products at the same rate. For this reason we respectfully request that this bill be returned to its previous version, SB 1447 SD2. Taxing tobacco products at different rates encourages product switching, driving consumers to the lower taxed items.

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

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>

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

Thank you,
Lindsey Freitas, Campaign for Tobacco-Free Kids

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://tobacconomics.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, *Reducing Tobacco Use: A Report of the Surgeon General*, Atlanta, Georgia: HHS, CDC, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2000, http://profiles.nlm.nih.gov/NN/B/B/L/Q/_/nnbblq.pdf.



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

From: Paula Arcena, External Affairs Vice President
Mike Nguyen, Public Policy Manager

Hearing: Tuesday, April 4, 2023, 3pm, Conference Room 308

RE: **SB975 SD2 HD2 Relating to Health**

AlohaCare appreciates the opportunity to provide testimony in **support of SB975 SD2 HD2**. This measure would amend the definition of “tobacco products” to include electronic smoking devices (ESDs) and e-liquids; exempts ESDs and e-liquids from the excise tax on all tobacco products other than large cigars; imposes an excise tax on each ESD or e-liquid sold, used or possessed by a wholesaler or dealer beginning on 1/1/2024 and repeals the ESD retailer registration unit under the Attorney General’s department.

Founded in 1994 by Hawai`i’s community health centers, AlohaCare is a community-rooted, non-profit health plan serving over 80,000 Medicaid and dual-eligible health plan members on all islands. Approximately half of our membership are keiki. We are Hawai`i’s only safety net health plan exclusively dedicated to serving Medicaid and Medicaid-Medicare dually-eligible beneficiaries. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating for access to quality health care for all. We believe that health is about supporting whole-person health needs.

Hawai`i is experiencing a youth vaping epidemic and we must take action to protect the health of our young people from life-threatening addiction. ESDs and e-liquids are designed and marketed specifically to entice youth. Appealing flavors have driven youth tobacco usage to nearly 31% of high school students and 18% of middle school students¹, both reporting ESD use within the past 30 days. Tobacco use is the leading cause of preventable death and disease in Hawai`i.

We greatly appreciate the Committee’s consideration of this important measure. Regulating and taxing ESDs and e-liquids on par with other tobacco products will greatly reduce the number of tobacco users in our state and most importantly discourage youth initiation. Tobacco consumption results in health problems that creates hundreds of millions in added health care costs for the State and contributes to health disparities and poor health outcomes.

Mahalo for the opportunity to submit testimony in **support of SB975 SD2 HD2**.

¹ <https://www.hawaiihealthmatters.org/index.php?module=indicators&controller=index&action=dashboard&id=83016762154173692>



Hawaii Medical Association

1360 South Beretania Street, Suite 200 • Honolulu, Hawaii 96814
Phone: 808.536.7702 • Fax: 808.528.2376 • hawaiimedicalassociation.org

COMMITTEE ON FINANCE

Rep. Kyle T. Yamashita, Chair

Rep. Lisa Kitagawa, Vice Chair

Date: April 4, 2023

From: Hawaii Medical Association

Bernard Robinson, MD, HMA Public Policy Committee

Re: **SB975 SD2, HD2; RELATING TO HEALTH**

Position: Support

Tobacco use has a profound effect on the health of everyday Americans. The life expectancy of a smoker is on average 10 years less than a non-smoker. Tobacco-related illness is responsible for nearly half a million deaths annually in the United States. One of the most effective means to reduce tobacco use is prevention. Approximately 9 out of 10 smokers begin smoking before the age of 18. In the past 10 years, the overall use of tobacco products significantly declined in the pediatric (ages 1-17) population. Unfortunately, this positive progress has been mitigated by a recent increase in use of e-cigarettes, which have become increasingly popular in middle and high school-aged children. Per the CDC, "If cigarette smoking continues at the current rate among youth in this country, 5.6 million of today's Americans younger than 18 will die early from a smoking-related illness"

Increasing taxes on cigarettes is an effective public health measure to reduce tobacco use. For every 10% increase in the price of cigarettes, there is a 7% decrease in use in people less than 18 years of age. In addition to the notable health benefits of reduced tobacco use, additional tax revenue can then be used to fund further tobacco prevention efforts. Furthermore, studies performed on the specific impact of increased taxes on e-cigarettes have demonstrated similar results, with increasing costs of e-cigarettes being associated with reduction in use in youths. As advocates for our patients and their health and safety, the HMA stands in strong support of this evidence-based measure to reduce tobacco use.

The HMA appreciates the recent amendments following the recommendations of the Department of Health. Taxation of tobacco products is an evidence-based public health measure the State can take to help protect the health of its youth. Thank you for allowing the HMA to testify in support of this measure.

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Nadine Tenn-Salle, MD, Treasurer • Thomas Kosasa, MD, Secretary • Marc Alexander, Executive Director

2023 Hawaii Medical Association Public Policy Coordination Team

Elizabeth Ann Ignacio, MD, Chair • Beth England, MD, Co-Chair
Linda Rosehill, JD, Government Relations • Marc Alexander, Executive Director

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Hawaii Dental Association

Committee: House Finance

Time/Date: 3:00 p.m., April 4, 2023

Location: State Capitol Conference Room 308 and via Videoconference

Re: SB 975, SD2, HD2 Relating to Health

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 SB 975, SD2, HD2** relating to health. This bill establishes the criminal offense of unlawful shipment of tobacco products. It amends the definition of "tobacco products" under the Cigarette Tax and Tobacco Tax Law to include electronic smoking devices and e-liquids and increases the license fee for persons engaged as wholesalers or dealers of cigarettes and tobacco products and the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products.

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 SB 975, SD2, HD2.

SB-975-HD-2

Submitted on: 4/3/2023 11:45:35 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michael Zehner	Hawaii Smokers Alliance	Oppose	Written Testimony Only

Comments:

We strongly oppose this bill. It is an unfair ban on interstate trade. It is divisive and bigoted since the legislature is failing to encourage both sides of the issue to work together towards a common goal.

April 3, 2023

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

FROM: Cigar Association of America, Inc.
(William Goo)

RE: **SB 975 SD2 HD2** - Relating to Health
Hearing Date: April 4, 2023
Time: 3:00 p.m.

Cigar Association of America, Inc. ("CAA") opposes **SB 975 SD2 HD2** which seeks in part to make criminal the shipment of tobacco products unless it is to a licensee. Attached is CAA's testimony in opposition.

Thank you for considering this testimony.



Testimony in **OPPOSITION** to SB975

Hearing time: 3:00 p.m. April 4, 2023

To: House Committee on Finance

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

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

From: Brian Fojtik, Senior Vice President Government Relations, Cigar Association of America, Inc.

The Cigar Association of America, Inc. ("CAA") submits this testimony in opposition to SB975, an effort to criminalize the currently and historically lawful shipment of tobacco products to consumers. CAA's members include the largest internet retailers of premium cigars and pipe tobacco. These companies have been in business for decades and, as responsible retailers, comply fully with all federal, state, and local laws. They all use sophisticated, state-of-the-art third-party software to perform age verification on every consumer sale, preventing sales to those not old enough to purchase tobacco products. Further, nearly all these retailers adopted 21 as a minimum age of purchase long before it was federal law. According to data collected and aggregated by Econsolut Solutions, an economic consulting firm based in Philadelphia, in





2017, the average age of customers purchasing premium cigars from these internet retailers was 55, and 89% of the consumers were above the age of 35.¹

While the preamble to SB975 recites many facts and issues relating to youth usage of *e-cigarettes* in Hawai'i, there is no mention of youth usage of cigars. This is because, while there is always continued room for improvement, current high school usage of cigars in Hawai'i is at the lowest level ever measured -- 2.8% when last measured in 2019.² This is over 90% less than the 33.1% of Hawai'i high school students who reported current usage of e-cigarettes in 2019.³

For these and other reasons, federal law continues to permit internet sales of cigars and pipe tobacco, while prohibiting such sales of other tobacco products. Specifically, in both the original 2010 Federal Prevent All Cigarette Trafficking Act (PACT Act) and its 2021 amendment, Congress recognized that cigars and pipe tobacco were different than cigarettes, smokeless tobacco, and e-cigarettes (including with different usage patterns) and, in both instances, made an informed, deliberate decision **not** to subject these products to PACT Act restrictions. This allows cigars and pipe tobacco to continue to be shipped to adult consumers using the US Postal Service. In fact, cigars and pipe tobacco are the only tobacco products that can legally be shipped to adult consumers using the US Postal Service.

While SB975 has the laudable goal of addressing youth usage of e-cigarettes, it has the unnecessary consequence of prohibiting the online sale of cigars and pipe tobacco -- products the Federal government recognizes present vastly different consumer profiles -- to adult tobacco consumers. Rather than include cigars and pipe tobacco in a bill making all shipments to unlicensed persons unlawful, the Hawai'i legislature should instead work with CAA -- as numerous other states have been and are doing -- to create a path to compliance for online cigar and pipe tobacco retailers to collect and remit the tobacco excise tax in Hawai'i on direct sales to consumers. This will allow adult Hawai'i residents to continue to purchase the products they enjoy -- and will give Hawai'i the tools it does not currently have to collect this tax on online retail transactions. Given Hawai'i's location, it is even more important to preserve adult consumers' access to these products.

CAA has, in conjunction with the Premium Cigar Coalition (a trade group made up of the seven largest online retailers of premium cigars), been working with both the Federation of Tax Administrators Uniformity Committee (to craft Model Legislation to provide a path to

¹ Econsult Solutions, Inc., "PURCHASING PATTERNS AND DEMOGRAPHICS OF ONLINE PREMIUM CIGAR CUSTOMERS" July 2018. (on file with author)

² Hawaii Youth Tobacco Survey https://hhdw.org/report/query/result/yts/CurrCigar/HS_ST.html

³ https://hhdw.org/report/query/result/yts/CurrEcigNew/HS_ST.html





compliance for these companies) and state Departments of Taxation (to provide the tools to implement this path). The Model Legislation has been successfully enacted in Maryland, Michigan, North Carolina, Indiana, and Virginia and is being considered by other state legislatures this session.

The Model Legislation, adapted for Hawai'i, does the following:

- Establishes the scope of the bill in terms of application to a finite set of products (cigars and pipe tobacco) in Remote Retail Sales.
- Clearly extends application of Hawai'i cigar and pipe tobacco excise tax to transactions between a remote retail seller and consumer within Hawai'i.
- Establishes clarity in defining the tax base on which Hawai'i cigar and pipe tobacco excise tax is calculated in remote retail sales.
- Establishes clear responsibility and means for a remote retail seller to collect cigar and pipe tobacco excise tax from the consumer and remit the tax to Hawai'i on all remote retail sales to Hawai'i ship-to addresses.
- Establishes procedures to collect Hawai'i cigar and pipe tobacco excise tax on all remote transactions regardless of origin (inside or outside the state) of the source.
- Establishes a clear path to cigar and pipe tobacco excise tax compliance in Hawai'i through licensure for remote sellers making remote retail sales in interstate and intrastate commerce.

CAA and PCC look forward to engaging in a dialogue with the Department of Taxation so that these goals can be achieved in Hawai'i, enabling the Hawai'i Department of Taxation to collect this tax revenue. Pursuing this course has the benefit of allowing Hawai'i adults to continue to be treated as adults and purchase products they enjoy, while also providing Hawai'i with additional excise tax revenue it currently cannot collect. Enactment of SB975 would completely foreclose this possibility and would criminalize the shipment of cigars and pipe tobacco to adult consumers. This would be an unfortunate, unintended consequence of legislation not aimed at these products or meant to restrict the choices of the consumers who enjoy them. CAA thanks the Committee for the opportunity to present our argument and we oppose SB975.





COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

The Coalition for a Tobacco-Free Hawaii's Youth Council, **supports SB975 SD2 HD2**, however we request that language be inserted to tax e-cigarettes at 70% of the wholesale price.

Hawai'i is facing a youth vaping crisis. As many know, these products are harmful to youth in particular, containing toxic chemicals like nicotine and formaldehyde that destroy the developing brain. 1,400 people die from a tobacco-related illness every year in Hawai'i and e-cigarettes are addicting a whole new generation which will only drive this number higher.

Countless students from across the state and nation have chronicled youths 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 than adults, which is why the Youth Council supports taxing e-cigarettes like other tobacco products.

It's also important to close the online loophole which makes it relatively easy for youth to purchase e-cigarettes in bulk online and sell them at their school.

It's time to stand up to Big Tobacco and put Hawaii's keiki over corporate profits!

It's not just youth that support this – we have endorsements from more than 100 organizations, many of which have also submitted testimony. Our members have presented to the majority of Oahu neighborhood boards, with 24 having passed resolutions in support of a comprehensive effort to end the youth vaping epidemic,

including regulating e-cigarettes the same as other tobacco products. You can see a partial list below.

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
Bad Boys Football Club
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
Puna Hongwanji Mission
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-Maili 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
Saint Louis 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
Mark Levin
Loren Lindborg
Katherine May, PsychD
Bryan Mih, MD
Kristin Mills
Shelly Ogata

Gregg Pacilio, PT
Matthew Prellberg
Jordan Ragasa
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



April 03, 2023

From: Scott Rasak, VOLCANO Vape Shops
Chief Operating Officer

RE SB975 – oppose.

Dear Members of the Hawaii Legislature,

I am writing today in opposition to SB975 SD2 HD2, which seeks to impose a tobacco parody tax on vape products. While I understand the desire to generate revenue for the state, this bill would be extremely detrimental to the vaping industry in Hawaii and its consumers. I urge you to reconsider this legislation and its impacts to the local vape retail and wholesale market which is compromised of hundreds of small businesses and local jobs.

Firstly, I must point out that SB975 SD2 HD2 is virtually unenforceable in its current form. The current market for vapor products is operated by hundreds of distribution points, many of which engage in direct importation of vaping products. As a result, enforcing a tax would be nearly impossible for all retailers. This would lead to a huge market disruption from local law-abiding businesses who pay taxes and get undercut on pricing by bad actors who do not pay the taxes due to lack of enforcement.

Secondly, I would like to highlight that the mainland vape wholesale markets who do impose vape taxes are normally in the 10-30% range at most. Anything above that would be wildly expensive by unit cost, translating to much higher costs to customers and likely pushing them back to the known dangers of combustible tobacco cigarettes away from vaping. This would be a step backward for public benefit in Hawaii.

Thirdly, I must warn against the potential rise in black market sales of vaping products from bad actors who are not paying taxes on imported goods. Black market distribution often leads to increased youth access since products are no longer viable to sell at established age-verified businesses. This is something that we must avoid at all costs, as the safety and well-being of our youth must be a top priority.

In conclusion, while a wholesale tax may drive some revenue to the state, a tobacco parody tax is out of the question to keep a viable Hawaii vaping market for adult access. Furthermore, it would lead to the potential closure of many small businesses who rely on this industry for their livelihood. I urge you to reject this bill and instead work towards a more equitable solution that does not harm the vaping industry and its consumers.

Thank you for your attention to this matter.

Sincerely,

Scott Rasak
Chief Operating Officer
VOLCANO Vape Shops
330 Sand Island Access Rd. #400 Honolulu, HI
96819 scott@volcanoecigs.com



April 4, 2023

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

Re: SB 975 SD2 HD2 – Relating to health

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

Hawaii Medical Service Association (HMSA) appreciates the opportunity to testify in support of SB 975 SD2 HD2. This measure:

- Establishes the offense of unlawful shipment of tobacco products.
- Includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law.
- Imposes an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer.
- Increases the license and permit fees for wholesalers, dealers, and retailers.
- Repeals the electronic smoking device retailer registration unit under the department of the attorney general.
- Repeals provisions governing delivery sales.

HMSA supports strengthening the health and well-being of Hawaii and supports this measure to protect our community members, especially our youth. There has been a dramatic increase in the use of electronic smoking devices over the last decade, particularly among young individuals due to the low cost and accessibility to ESD's. Tobacco is the leading cause of preventable disease and death, and its use results in loss of life and financial burdens on society.

By increasing the price of tobacco products, we can effectively reduce consumption by Hawaii's youths.

Thank you for the opportunity to testify on SB975 SD2 HD2.

Sincerely,

Dawn Kurisu
Assistant Vice President
Community and Government Relations



ABC Stores
766 Pohukaina Street
Honolulu, Hawaii 96813-5391
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Telephone: (808) 591-2550
Fax: (808) 591-2039
E-mail: mail@abcstores.com

Testimony 4/4/23

Re: SB975, SD2, HD2 Relating to Health

Good Morning Chairperson Kyle Yamashita, Vice Chair Lisa Kitagawa and members of the Committee on Finance. I am Curtis Higashiyama Government Affairs Manager and I appreciate this opportunity to testify.

ABC Stores is in **Opposition** to SB975, SD2, HD2 Establishes the offense of unlawful shipment of tobacco products. Includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law. Beginning 1/12024, imposes an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer. Increases the license and permit fees for wholesalers, dealers, and retailers. Repeals the electronic smoking device retailer registration unit under the department of the attorney general. Repeals provisions governing delivery sales. Effective 6/30/3000. (HD2)

This measure would cause hardship for many retailers. Retailers are selling these products to age qualified purchasers and with such a tax and increase in permit fees would quickly reduce our ability to sell to those individuals. Competition through online buying would significantly put us and other retailers in Hawaii at a disadvantage. For Hawaii retailers to remain competitive, lower margins will be needed which will put many businesses in a difficult position to cover costs of business and to stay in business.

While we continue to offer goods at a fair price, this bill would quickly increase the cost to the consumer through increased pricing. As with many other products which become overpriced for consumers, consumers may seek replacement products, this could include reverting to traditional tobacco. Not to mention encouraging the behavior of individuals to obtain these products from other suppliers such as online sources or even illicit sights-illicit sellers do not collect taxes. Another effect of overpriced products, which we have experienced as well as other retailers, are smash and grab theft and property damage. As recent as a few weeks ago a store on Maui, after closing, was smashed and grabbed. In the video, though the products were in locked cases, the individual continued to smash his way to the products. This person climbed through a 2' X 2' window. We now have bars installed, a terrible look for a retail store in a tourist marketplace. Our fear is this will become an increasing occurrence with potentially dangerous outcomes for our employees and others.

If this bill is meant to discourage the youth from possessing vape products, understand that as retailers selling age restricted products responsibly is our top priority. As a business we are committed to this responsibility with training, weekly operational visits covering many areas, specifically following procedures on selling age restricted products, age verification technology and consequences. To discourage sales to underage individuals, we ask the State to look at how we can better enforce the law for those under 21, in public settings, in schools, events etc. We also ask the State to look at improved ways to educate the youth and public.

In closing, I urge you **not** to move forward on the proposed taxation and fee increase. Thank you for the opportunity to testify in opposition to SB975 SD2, HD2

Sincerely,
Curtis Higashiyama
Employee Relations & Government Affairs
ABC Stores.

Testimony on Hawai'i SB 975 — “An Act Relating to Health”

Dear Chairs and Members of the House Finance Committee,

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

Simply put, SB 975 will do more harm than good if passed. Enacting an increase in taxes on vaping and other alternative nicotine 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.

This bill was created to address the so-called youth vaping epidemic, but I'm happy to tell you that according to the [CDC's national youth tobacco survey](#) less than 1 in 10 US students reported vaping in 2022 which is the lowest it's ever been and even the FDA has declared that they are no longer using the term 'youth vaping epidemic' as it is no longer an accurate depiction of reality.

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 tax on vaping and alternative nicotine 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 less risky and more responsible alternatives 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. Considering this committee is focused on protecting public health, embracing vaping as a harm reduction tool here in Hawai'i and



standing up for consumer choice for adults will help ensure that your citizens are less likely to end up in a situation similar to mine.

A tax on vaping products and nicotine alternatives will result in consumers being less inclined to purchase these products through regulated entities, and will instead be looking towards the illicit market in order to avoid the price increases. This presents serious concerns for public health in Hawai'i as consumers will be purchasing unregulated products that do not necessarily adhere to regulatory standards. Additionally, unlike vape shops, 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 well-intentioned, the proposed tax on vaping and alternative nicotine 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 urge you to vote against SB 975.**

Thank you for your consideration & I'm happy to answer any questions you may have.

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



April 3, 2023

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

Re: Testimony in **Support of SB975 SD2, HD2**, Relating to Health

Hrg: April 4, 2023, 3:00pm, Conference room 308

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 SB975 SD2, HD2, a comprehensive tobacco regulation bill that: establishes the criminal offense of unlawful shipment of tobacco products; amends the definition of tobacco products under Tobacco Tax Laws to include electronic smoking devices and e-liquids; and addresses licensing and permitting sellers. E-cigarettes have evaded many tobacco regulation laws for decades, leading to a sharp rise in the use of these products, especially by young people who are enticed by their unregulated marketing and lack of proper regulatory controls on an addictive drug, nicotine. E-cigarettes are the only tobacco product without a tobacco tax. Comprehensive regulation over e-cigarettes will be a major step to reduce the use of e-cigarettes among youth.

Tobacco regulation laws have already proven to be effective in Hawai i. Comprehensive regulation has lowered adult smoking rate to 11.6%, and reduced high school smoking to 5.3% in 2019 (CDC YRBS 2017-2019). Two decades of comprehensive regulation of cigarettes and other tobacco products have helped Hawai i save \$1billion in healthcare costs. This measure also restricts online sale of e-cigarettes directly to consumers. Requireing face-to-face purchases makes it harder for youth to obtain these products via the internet. Licensed tobacco retailers would still be able to receive shipments of products.

Lasltly, it is important to call attention to the fact that the FDA does not approve e-cigarettes as cessation devices and that this comprehensive regulation will not stop access to FDA-approved nicotine replacement therapy (NRTs).

We strongly support SB975 SD2, HD2 and respectfully ask that you pass this measure to ensure that Hawai i has all the components of comprehensive tobacco regulation necessary to lower the use of tobacco. Thank you for the oppportunity to provide testimony on this important public health topic that impact the health of our communities.

Respectfully submitted,

Holly Kessler
Executive Director

CLIFFORD CHANG, MPH

RESIDENCE

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Date: April 4, 2023
To: Rep. Kyle Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair
Members of the Committee on Finance

Re: Strong Support, with comments, for SB975 SD2 HD2 Relating to Health
Hrg: Wednesday, April 4, 2023; 3:00 pm; Videoconference, Conference Room 308

My name is Clifford Chang, testifying today both as the principal in my public health consulting business, Clifford Chang Consulting, and as a private individual with over 40 years of public health experience. I have been professionally involved in tobacco prevention and control for almost ten years and have continued my direct involvement on a voluntary basis for over fifteen years.

I am testifying in **strong support, with comments, for SB975**, which establishes the offense of unlawful shipment of tobacco products. Includes electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law.

On March 25, 2021, the wife of my best friend from high school died after a long, over 10 year struggle against lung cancer caused by smoking that also metastasized to her brain. Davina was only 62 years of age, leaving behind her husband of 35 years, Paul, their two daughters, and her first granddaughter who was born just prior to her death. Davina was able see and hold her granddaughter just once before passing away.

Davina started smoking in high school and tried to quit repeatedly throughout her life, cut way too short by the insidious, addictive nicotine in tobacco. Davina was one of the strongest people I know. Despite this, it took her multiple attempts to quit, the pull of the nicotine addiction outweighing her resolve. With professional cessation treatment assistance she was finally able to quit, but not before she developed a malignant carcinoma in her lung which also metastasized to her brain. She underwent multiple surgeries, including a lobectomy and lung removal, numerous bouts of chemotherapy, and numerous clinical trials, before her body succumbed to fluid accumulation in the pleural space of her remaining lung. With the assistance of hospice and palliative care, Davina was able to pass away peacefully and without pain.

Please do what is necessary this legislative session, including the passage of **SB975**, to help keep so many more of our youth from dying, like my friend Davina, from tobacco-related illnesses.

The committee's intent to regulate e-cigarettes as a tobacco product is very much appreciated and overdue. To truly achieve parity and effectively discourage youth use of e-cigarettes, I respectfully request the committee to revert the bill to the SD2 version. This will ensure that e-cigarettes are taxed at 70% of the wholesale price – same as other tobacco products – and restricts online sales to prevent youth access. E-cigarettes are the only tobacco products without a tobacco tax. Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. Applying a meaningful tax on e-cigarettes is important because research shows that significant price increases reduce tobacco use among youth.

E-cigarettes have evaded many tobacco regulation laws for decades, leading to a sharp rise in the use of these products, especially by young people, who are enticed by their unregulated marketing and lack of proper regulatory controls on an addictive drug, nicotine. As has been demonstrated in other cases, comprehensive regulation will be a major step in reversing youth use of e-cigarettes. Two decades of comprehensive regulation of cigarettes and other tobacco products has helped Hawai'i save \$1B in healthcare costs: comprehensive regulation has lowered the adult smoking rate to 11.6%; and has reduced high school smoking to 5.3% in 2019 (CDC YRBS 2017-2019).

As e-cigarettes are not FDA-approved cessation devices, comprehensive tobacco regulation does not stop access to FDA-approved nicotine replacement therapy (NRTs) – approved smoking cessation products.

Unregulated, unchecked online sales of e-cigarettes need to be addressed. This measure restricts online sales of e-cigarettes directly to consumers; requiring face-to-face purchases makes it harder for youth to obtain these products via the internet. Licensed tobacco retailers would still be able to receive shipments of products.

In addition to regulations, it is important to dedicate a portion of the collected taxes to educational, preventative and cessation services.

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.

Please do what is necessary this legislative session to help keep more of Hawai'i's youth from becoming addicted to tobacco products and help keep so many more of our youth from dying, like my friend Davina, from tobacco-related illnesses.

Thank you very much for this opportunity to testify.

Aloha,

A handwritten signature in black ink, appearing to read 'Clifford Chang', with a stylized flourish at the end.

Clifford Chang

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 305

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Include Electronic Smoking Devices, Hike Fees

BILL NUMBER: SB 975 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 the cigarette tax and tobacco tax law. Exempts electronic smoking devices and e-liquids from the excise tax on all tobacco products other than large cigars. Beginning 1/1/2024, imposes an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer effective. Repeals the electronic smoking device retailer registration unit under the department of the attorney general

SYNOPSIS: Adds a new section to chapter 245, HRS, to establish the offense of unlawful shipment of tobacco products.

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, whether or not the substance contains nicotine, that is designed or intended to be used in an electronic smoking device, whether or not packaged in a cartridge or other container. The term does not include prescription drugs; cannabis for medical use governed by chapter 329; manufactured cannabis products governed by 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).

Also amends the definition of "tobacco products" to include any electronic smoking device or e-liquid.

Amends section 245-3, HRS, to impose an excise tax of ___% of the wholesale price of each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer.

Amends section 245-2, HRS, to raise the fee for a tobacco license from \$2.50 to \$250.00.

Amends section 245-2.5, HRS, to raise the fee for a retail tobacco permit from \$20 to \$50.

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

Repeals section 245-17, HRS, relating to delivery sales

Makes technical and conforming amendments.

EFFECTIVE DATE: June 30, 3000.

STAFF COMMENTS: The question that should be asked is the purpose of the tobacco tax. If the goal is to make people stop smoking by making it cost-prohibitive to smoke, then (a) it's working, as hikes in the cigarette tax have begun to exert downward pressure on collections not only locally but also nationally, but (b) it shouldn't be expected to raise revenue, because of (a). 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?

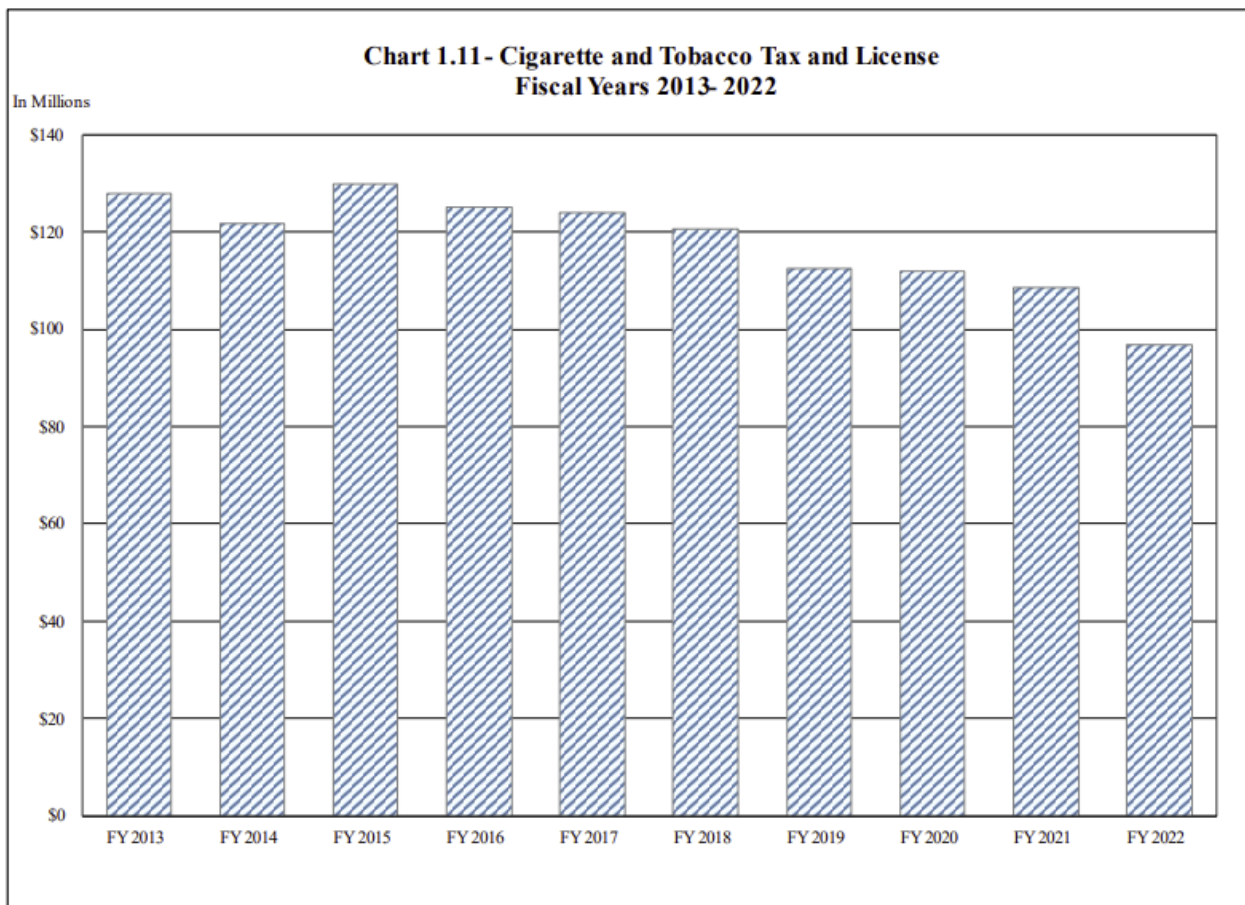
The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes are influencing smokers as tax collections on the sale of cigarettes have fallen. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases 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).

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



Source: Department of Taxation Annual Report (2021-2022), page 23.

Fiscal reliance on funds from a sin tax is inadvisable, perhaps 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: 4/3/2023

SB-975-HD-2

Submitted on: 4/1/2023 8:37:57 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

To truly achieve parity and effectively discourage youth use of e-cigarettes, we respectfully request the committee to revert the bill to the SD2 version. This will ensure that e-cigarettes are taxed at 70% of the wholesale price – same as other tobacco products – and restricts online sales to prevent youth access.

SB-975-HD-2

Submitted on: 4/1/2023 9:13:15 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Sarah Kern	Individual	Support	Written Testimony Only

Comments:

April 1, 2023

Aloha Chair Yamashita, Vice Chair Kitagawa, and Committee Members,

My name is Sarah Kern and I am a resident of Lihue, Kauai. I am testifying in strong support of SB975. I am a teacher at Chiefess Kamakahahei Middle School and I have seen the negative impacts that e-cigarette and vape use has on our students in their critical years of development in early adolescence. SB975 would amend the definition of “tobacco products” to include these products that are harming our keiki every single day. It would also impose an excise tax on these products, making them less affordable for users. Any laws that discourage or limit the use, sale, or distribution of tobacco products in Hawaii is important for the health of our state and especially our keiki.

Thank you for the opportunity to testify in support of this bill.

Mahalo nui loa,

Sarah Kern

SB-975-HD-2

Submitted on: 4/1/2023 11:42:13 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Joseph Humphry	Individual	Support	Written Testimony Only

Comments:

As a physician, I strongly support this bill. The cost of tobacco related health care is in the billions of dollars. It defies logic to faciitate access to tobacco products.

Please pass this bill out of committee.

SB-975-HD-2

Submitted on: 4/1/2023 12:58:08 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

What are you guys thinking??? This bill is insane. A felony just because someone wants a flavored vape to improve their quality of life or help them quit.

SB-975-HD-2

Submitted on: 4/1/2023 1:13:09 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

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SB 975

I am writing as a long-time Kauai pediatrician in support of SB975, which regulates electronic smoking devices. E-cigarettes have evaded taxation as a nicotine device for years due to the tobacco lobby's false argument that they are smoking cessation devices. In fact, electronic smoking devices have no FDA approval as a cessation device, unlike other products such as nicotine gums and patches. To the contrary, electronic devices actually promote nicotine dependence by functioning as a starter drug for children and adolescents and utilizing liquids with very high nicotine concentrations. These devices have targeted our children by using attractive packaging and flavored liquids. As a nicotine delivery device, they must be taxed at the same rate as regular cigarettes. Face to face and online sale of e-cigarettes and liquids should be licensed and monitored, with strong consequences for violations. Thus far there are some rules, but they are regularly flouted without fear of punishment, as several studies of vape shops have demonstrated. The FDA has shown it has little appetite for monitoring and punishing violators of its own rules and has put in place a very prolonged approval process of vaping products which has no hope of stemming the tide of new products continuously brought forth by the tobacco industry.

The Health and Homelessness Committee amended SB975 by negating language requiring parity taxation with all other tobacco products (in fact, a specific taxation percentage was struck from the bill) . I am requesting that the language of SB975 SD2 HD1 be reverted back to that of SB975 SD2 (IE that e-cigarettes be taxed at 70%) to strengthen the bill as originally written.

For the sake of our keiki we must put our best foot forward in regulating this dangerous and addictive nicotine product. SB975 is a very promising strategy for accomplishing this worthy goal.

Linda Weiner, MD
Pediatrics, Kauai

SB-975-HD-2

Submitted on: 4/1/2023 5:40:22 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Barbara J. Service	Individual	Support	Written Testimony Only

Comments:

Aloha!

Please pass this bill to assist in the efforts to make e-cigarettes less attractive and accessible to our children. Addiction to tobacco is a very dangerous habit and is difficult to break.

Mahalo for permitting me to testify!

Barbara J. Service. MSW

Child Welfare Supervisor (ret.)

Kupuna Advocate

SB-975-HD-2

Submitted on: 4/1/2023 6:41:46 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Peggy Brandt	Individual	Support	Written Testimony Only

Comments:

As a school counselor, mother, and public health professional, I strongly support SB 975. We must take action to protect our community from the ravages of tobacco use and the strong influence of tobacco companies. Please vote in favor of this bill to bring the power back to our state, and away from Big Tobacco. Mahalo.

SB-975-HD-2

Submitted on: 4/1/2023 9:51:49 PM

Testimony for FIN on 4/4/2023 3:00:00 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 SD 975. 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.

Finally, please ensure that SB 975 is changed back to the language found in SD2 because SD2 taxes e-cigarettes at 70% of the wholesale price – the same as other tobacco products – and it restricts online sales to prevent youth access, which is critical to stemming the epidemic of our keiki becoming addicted to nicotine.

Please support this important measure with the requested amendment. Mahalo for your consideration.

Sincerely,

Bryan Mih, MD MPH FAAP

Pediatrician

Medical Director, Kapi'olani Smokefree Families

SB-975-HD-2

Submitted on: 4/2/2023 9:13:20 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Brett Schumacher	Individual	Support	Written Testimony Only

Comments:

I strongly support SB975 and, further, urge you to insert language to tax e-cigarettes at 70% of the wholesale price.

We as a community worked soooo hard to reduce tobacco use among our youth, knowing that most people who smoke started at an early age. If they don't start then, they're much less likely to start and the impacts on the individuals, their families, and society are prevented.

Unfortunatly, much of that progress has been undermined by the vaping industry which picked up right whre the tobacco industry left off with marketing to susceptible youth. Research has shown that the effects and addictive nature of nicotine are most intense on the still-developing brains of teenagers, so it's critical that to prevent their exposure to this chemical.

The worst part is that is largely preventable. Keeping vaping products out of the lungs of teenagers can be done, and this legislation, fortified by stiff excise taxes on any and all nicotine products (except prescription smoking cessation), will significantly advance our efforts to lower vaping rates.

SB-975-HD-2

Submitted on: 4/2/2023 10:53:41 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chris C.K. Arakaki	Individual	Oppose	Written Testimony Only

Comments:

I'm Alex Abe and I totally oppose this bill.

SB 975, SD 2, HD 2 Relating to Health
April 4, 2023

Committee of Judiciary & Hawaiian Affairs

Chair: Rep. Tarnas

Vice Chair: Rep. Takayama

**TESTIMONY IN STRONG SUPPORT OF SB 975, SD 2, HD 2
RELATING TO HEALTH**

I am Julian Lipsher testifying as a private citizen in strong support of SB 975, SD 2, 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:

- * Establish a regulatory structure for shipment of tobacco products.
- * Amends the definition of 'tobacco products' to include ESD's and e-liquids in Hawaii Revised Statutes.
- * Require licensing and permitting fees for ESD retailers and wholesalers.
- * Establish a consistent rate of tax with other tobacco products.

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.

- Comprehensive regulation that includes taxation, licensing and permitting will be a major step in reversing youth use of e-cigarettes.
- Two decades of comprehensive regulation of cigarettes and other tobacco products has helped Hawaii'i save an estimated annual \$526 million in direct healthcare costs and another \$387 million in lost productivity.
- Comprehensive regulation of cigarettes has lowered the adult smoking rate to 10.1%; and reduced high school smoking to 5.3%.
- E-cigarettes are not FDA-approved cessation devices.
- Comprehensive tobacco regulation does not stop access to FDA-approved nicotine replacement therapy (NRTs) – approved smoking cessation products.
- Unregulated, unchecked online sales of e-cigarettes need to be addressed. This measure restricts online sales of e-cigarettes directly to consumers – requiring face-to-face purchases makes it harder for youth to obtain these products via the internet. Licensed tobacco retailers would still be able to receive shipments of products.

The Legislature is encouraged to apply what has been and needs to be 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

SB-975-HD-2

Submitted on: 4/2/2023 1:15:24 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

The rise in use of electronic smoking devices among Hawai'i youth is higher than the national average. Between 2011 to 2015, the proportion of youth experimenting with electronic smoking devices increased six-fold among middle school youth and four-fold among high school youth. In 2017, 27% of public middle school students and 42% of public high school students tried electronic smoking devices. By 2019, 31% percent of public middle school students and 48% of public high school students had used an electronic smoking device.

In 2020, eight in 10 youth who currently use e-cigarettes reported using a flavored product. These rates are higher than the national average, demonstrate an alarming increase in Hawai'i's youth nicotine use, and serve to illustrate a bleak future of nicotine addiction in the next generation. Toxicologists have warned that e-liquids pose significant risks to public health, particularly to children.

The 2016 Surgeon General's Report found that there are numerous policies and practices that can be implemented at state and local levels to address electronic smoking device use among youth and young adults, including preventing access to electronic smoking devices by youth, increasing taxes imposed upon electronic smoking devices, increasing prices of retail licensure, and regulating electronic smoking device marketing.

The rapid growth of the electronic smoking device industry, including retail businesses selling electronic smoking devices or e-liquid, necessitates further regulations to protect consumers, such as requiring retailers of e-liquid to obtain a retail tobacco permit. The 2016 Surgeon General's Report found that children and youth are especially vulnerable to the targeted online social and digital media marketing of inexpensive electronic smoking devices offered in enticing concealable forms and e-liquids in various flavors.

The United States Food and Drug Administration has expanded its regulatory authority to all tobacco products, including electronic smoking devices, cigars, and hookah and pipe tobacco. While there is federal consensus that electronic smoking devices are tobacco products, Hawai'i has no state tobacco tax imposed on electronic smoking devices and e-liquids.

While the use of electronic smoking devices and e-liquids also carry the risk of adverse health consequences, these products are currently taxed at a much lower rate than cigarettes. Decades of research have shown that increasing cigarette prices, such as through the imposition of cigarette taxes, can reduce the rate of smoking by adult and youth smokers. As outlined in the 2016

Surgeon General's Report, current findings show this public health policy can likewise be applied to electronic smoking devices and e-liquids to reduce youth consumption. Please support SB975 SD2 HD2.

Aloha Chair Tarnas, Vice Chair Takayama, and Honorable Members of the Committee on Judiciary & Hawaiian Affairs.

I am writing in STRONG SUPPORT of SB 975, which would regulate electronic cigarettes like we do other tobacco products. Vaping products are deemed tobacco products by the FDA, and should be regulated as such.

As a former teenage smoker and now mother, I despise seeing what the e-cigarette, or vaping, industry is doing to target young people today. They use the same tactics that big tobacco did back in the 90s to attract youth and create lifetime customers through nicotine addiction.

We know that tobacco regulations work to reduce the number of youth users, and fortunately I was one of them. Cigarette prices rose dramatically from the time I started smoking at 17 to the time I quit at 27. I owe my life to that price increase. I was a young professional living on a meager paycheck and smoking became a huge financial burden. There are better reasons to quit smoking, but as a nicotine addict little else will get through until you literally can't afford to keep up the habit. I implore our State law makers to also eliminate flavored tobacco products as well, which may not be accomplished this year but MUST be addressed in order to keep our kids from trying these products in the first place.

I have two young children, ages five and eight, and I want to do all I can as a mother to keep our children from becoming addicted to nicotine. The nicotine concentrations in today's vaping products are far higher than they were in the cigarettes of my youth, and if I had such a difficult time quitting I can only imagine what our youth are struggling with today. We MUST regulate this industry across the board - all tobacco/nicotine products should be taxed the same, they must not be available through online sales, and sellers should absolutely be required to be licensed and permitted so we can track where these products are being sold throughout the state.

We made huge strides across the country, and especially here in Hawaii, to address tobacco use and the high cost associated with nicotine addiction before the vaping industry came on the scene. Please stop this backward trend and address this new industry targeting our kids. Other nicotine replacement therapies are available to adults who wish to quit smoking traditional cigarettes, including patches, lozenges, and gum. These are regulated products that are actually proven to help smokers quit. The vaping industry does not want people to quit nicotine, they are looking for lifetime users the same as cigarette manufacturers.

Please pass this bill, help protect the progress we have made to reduce nicotine addiction and protect our youth, and continue to make Hawaii a place where the healthy choice is the easy choice. I also ask that you please revert to the SD2 version to tax these products at 70% as we do other tobacco products.

Thank you for your time, and for considering the health and safety of my children and all our children across the state.

Katie Folio, Resident and mother
Kula, Maui, Hawai'i

SB-975-HD-2

Submitted on: 4/2/2023 6:38:59 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Clayton Silva	Individual	Oppose	Written Testimony Only

Comments:

Opposed. Too much regulation already. SB975 is bad for business.

House Finance Committee Hawaii Legislature

April 4, 2023

House Bill HB 975

**Prepared Testimony By:
Rich Marianos
Retired Assistant Director
Bureau of Alcohol, Tobacco, Firearms and Explosives
Professor Georgetown University**

Good afternoon ladies and gentlemen of the Finance Committee . My name is Rich Marianos, and I am a senior law enforcement consultant and subject matter expert on criminal tobacco trafficking.

Let me start by telling you a little about my background. I retired from a 27-year career at the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) as Assistant Director. During my ATF career, I conducted, supervised and oversaw investigations into organized crime, counterterrorism, drug trafficking organizations and violent crime.

My ATF experience also includes the position of Special Agent in Charge of the Washington Field Division and Deputy Chief of ATF's Special Operations Division.

In addition to my consultation duties for law enforcement, I am also an Adjunct Professor at Georgetown University in Washington, D.C., where I teach courses in Applied Intelligence and Political Violence and Terrorism. If you cannot tell by my background, crime prevention and security are things that I take very seriously. During the past year, myself and other members of the law enforcement community testified in front of various State Legislatures about what a bad idea it was to pass a ban on flavor tobacco, and to increase taxes, creating a prohibition.

Please understand, if you ban flavored tobacco products, and disproportionately increase tobacco taxes in Hawaii, black market tobacco products will soon arrive despite best efforts ban them. Flavor tobacco will fall right in line with the other prohibited items such as guns and narcotics i.e. Black Tar Heroin, Fentanyl, Crack Cocaine and Ice Methamphetamine. The gangs and organized groups of criminals (Mexican Drug Cartels) will make a windfall in profits over these bad policy decisions.

According to law enforcement intelligence sources, the above described drugs are being smuggled into your State by the Mexican Cartels by way of commercial airlines, US mail services, smuggling tunnels, back roads, well placed bribes and trucking cargo/freight lines. The contraband comes from Mexico through Arizona to California (San Diego) to Hawaii.

According to Intelligence Sources, Mexican Drug Cartels, specifically, **The Jalisco Nueva Generacion aka The Tobacco Cartel** run by Edmund FERREIRA is making inroads into Hawaii to pursue illegal tobacco

trafficking. FERREIRA was recently arrested in Hawaii for narcotic conspiracy and distribution and possession of Ice Methamphetamine and Fentanyl. Law Enforcement Sources also identify FERREIRA as owning three (3) cigarette factories that produce 30 brands of flavored cigarettes and flavored vaping products that sell for about \$3.60 per pack. This is evidence backed by arrests in your state, not anecdotal theory proffered by others, who never conducted an investigation.

Each day in cities and counties throughout the United States, tobacco is the currency of Organized Crime. It has become an easy way to traffic contraband at a minimal risk with a high return in way of money.

Based on my experience, training, and education the prohibition you will create will not work. It will endanger the safety of your citizens and your children through black market counterfeit products flooding your streets, by the likes of criminals I pointed out above.

The criminal element consistently adapts, always intending to make profits. Banning, outlawing, and eliminating flavor tobacco, or increasing the taxes on these products, will do nothing but create an already bigger crime problem in Hawaii. Just like the gun, gang, and drug violence.

SB-975-HD-2

Submitted on: 4/3/2023 4:15:05 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Shannon Rudolph	Individual	Support	Written Testimony Only

Comments:

Support

SB-975-HD-2

Submitted on: 4/3/2023 8:18:13 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Carrie Alexander	Individual	Support	Written Testimony Only

Comments:

Aloha,

As a Registered Nurse and the mother of two elementary school aged children I am writing in support of SB975. Comprehensive regulation will be a major step in reversing youth use of e-cigarettes.

Comprehensive regulation has lowered the adult smoking rate to 11.6%; and reduced high school smoking to 5.3% in 2019 (CDC YRBS 2017-2019).E-cigarettes are not FDA-approved cessation devices.Comprehensive tobacco regulation does not stop access to FDA-approved nicotine replacement therapy (NRTs) – approved smoking cessation products.E-cigarettes are the only tobacco products without a tobacco tax.Unregulated, unchecked online sales of e-cigarettes need to be addressed. This measure restricts online sales of e-cigarettes directly to consumers – requiring face-to-face purchases makes it harder for youth to obtain these products via the internet. Licensed tobacco retailers would still be able to receive shipments of products.Taxation, regulation, licensing & permitting, education, and cessation services are components of comprehensive tobacco regulation and a key to lowering the use of tobacco use.

Thank you for your time.

Carrie Alexander, MSN, RN

SB-975-HD-2

Submitted on: 4/3/2023 9:36:16 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

I, Shani Carvalho am in strong support of SB975. This comprehensive regulation bill will ultimately help save the lives of thousands in Hawaii. I strongly support this bill because it will implement regulations for shipping of e-cigarettes, tax them as tobacco products due to the nicotine within the e-juice, as well as keep sellers of these items accountable by ensuring they have proper licenses and permits.

SB-975-HD-2

Submitted on: 4/3/2023 10:08:46 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nanea Lo	Individual	Support	Written Testimony Only

Comments:

Hello,

My name is Nanea Lo. I'm born and raised in the Hawaiian Kingdom a Kanaka Maoli.

I'm writing in SUPPORT of SB975 SD2 HD2.

The rise in use of electronic smoking devices among Hawai'i youth is higher than the national average. Between 2011 to 2015, the proportion of youth experimenting with electronic smoking devices increased six-fold among middle school youth and four-fold among high school youth. In 2017, 27% of public middle school students and 42% of public high school students tried electronic smoking devices. By 2019, 31% percent of public middle school students and 48% of public high school students had used an electronic smoking device.

In 2020, eight in 10 youth who currently use e-cigarettes reported using a flavored product. These rates are higher than the national average, demonstrate an alarming increase in Hawai'i's youth nicotine use, and serve to illustrate a bleak future of nicotine addiction in the next generation. Toxicologists have warned that e-liquids pose significant risks to public health, particularly to children.

The 2016 Surgeon General's Report found that there are numerous policies and practices that can be implemented at state and local levels to address electronic smoking device use among youth and young adults, including preventing access to electronic smoking devices by youth, increasing taxes imposed upon electronic smoking devices, increasing prices of retail licensure, and regulating electronic smoking device marketing.

The rapid growth of the electronic smoking device industry, including retail businesses selling electronic smoking devices or e-liquid, necessitates further regulations to protect consumers, such as requiring retailers of e-liquid to obtain a retail tobacco permit. The 2016 Surgeon General's Report found that children and youth are especially vulnerable to the targeted online social and digital media marketing of inexpensive electronic smoking devices offered in enticing concealable forms and e-liquids in various flavors.

The United States Food and Drug Administration has expanded its regulatory authority to all tobacco products, including electronic smoking devices, cigars, and hookah and pipe tobacco.

While there is federal consensus that electronic smoking devices are tobacco products, Hawai'i has no state tobacco tax imposed on electronic smoking devices and e-liquids.

While the use of electronic smoking devices and e-liquids also carry the risk of adverse health consequences, these products are currently taxed at a much lower rate than cigarettes. Decades of research have shown that increasing cigarette prices, such as through the imposition of cigarette taxes, can reduce the rate of smoking by adult and youth smokers. As outlined in the 2016 Surgeon General's Report, current findings show this public health policy can likewise be applied to electronic smoking devices and e-liquids to reduce youth consumption. Please support SB975 SD2 HD2.

me ke aloha 'āina,

Nanea Lo, Mō'ili'ili

SB-975-HD-2

Submitted on: 4/3/2023 10:27:55 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Marya Grambs	Individual	Support	Written Testimony Only

Comments:

I am a member of the Board of Directors of Waikiki Health, but I am testifiyng as an indiviual.

E-cigarette use continues to escalate among teens. It puts our children's health at risk and becomes a lifelong addiction. By addressing the unlawful shipment of e-cigarettes, taxing them as tobacco products, and licensing & permitting sellers, we are implementing comprehensive regulations to address this crisis.

Please vote in support of this important bill.

SB-975-HD-2

Submitted on: 4/3/2023 11:12:03 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Michele Nihipali	Individual	Support	Written Testimony Only

Comments:

- We appreciate the committee’s intent to regulate e-cigarettes as a tobacco product. To truly achieve parity and effectively discourage youth use of e-cigarettes, we respectfully request the committee to revert the bill to the SD2 version. This will ensure that e-cigarettes are taxed at 70% of the wholesale price – same as other tobacco products – and restricts online sales to prevent youth access.
- E-cigarettes have evaded many tobacco regulation laws for decades, leading to a sharp rise in the use of these products, especially by young people, who are enticed by their unregulated marketing and lack of proper regulatory controls on an addictive drug, nicotine.
- Comprehensive regulation will be a major step in reversing youth use of e-cigarettes.
- Two decades of comprehensive regulation of cigarettes and other tobacco products has helped Hawai‘i save \$1B in healthcare costs.
- Comprehensive regulation has lowered the adult smoking rate to 11.6%; and
- Reduced high school smoking to 5.3% in 2019 (CDC YRBS 2017-2019).
- E-cigarettes are not FDA-approved cessation devices.
- Comprehensive tobacco regulation does not stop access to FDA-approved nicotine replacement therapy (NRTs) – approved smoking cessation products.
- E-cigarettes are the only tobacco products without a tobacco tax.
- Unregulated, unchecked online sales of e-cigarettes need to be addressed. This measure restricts online sales of e-cigarettes directly to consumers – requiring face-to-face purchases makes it harder for youth to obtain these products via the internet. Licensed tobacco retailers would still be able to receive shipments of products.
- Taxation, regulation, licensing & permitting, education, and cessation services are components of comprehensive tobacco regulation and a key to lowering the use of tobacco use.

Thank you for your consideration,

Michele Nihipali

54-074 A Kam Hwy.

Hauula, HI 96717

SB-975-HD-2

Submitted on: 4/3/2023 11:26:04 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Lopaka Poaha	Individual	Oppose	Written Testimony Only

Comments:

aole means oppose

SB-975-HD-2

Submitted on: 4/3/2023 11:30:21 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Eric Heaulani	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill!

SB-975-HD-2

Submitted on: 4/3/2023 11:31:49 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jessica Valdez	Individual	Support	Written Testimony Only

Comments:

Honorable Representative Kyle T. Yamashita, Chair

Honorable Representative Lisa Kitagawa, Vice Chair

Members of the Committee on Finance

Re: SB 975, SD2 HD2 Relating to Health, Strong Support

Representative Yamashita, Kitagawa, and members of the Committee on Finance:

SB 975, SD2 HD2 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 young adult and a lifelong resident of the State of Hawai‘i, I express my **STRONG SUPPORT** of this bill. I strongly support proven strategies like taxing tobacco products and cigarettes. Unfortunately, E-cigarettes are now the most popular tobacco product among youth – mainly 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. Having been in school at the start of the youth vaping epidemic to working professionally within the Department of Education, witnessing the rise of teachers and administrators within my district complaining 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).

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

SB-975-HD-2

Submitted on: 4/3/2023 11:34:22 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
VALENTINO MIRANDA-KEPA	Individual	Oppose	Written Testimony Only

Comments:

Aloha Board

Please oppose Bill SB975 I understand we should have a tax on the products but be reasonable when Cigarette taxes went up it went up gradually please be fair thanks

SB-975-HD-2

Submitted on: 4/3/2023 11:44:52 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
ASHLEY MATTOS	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill

SB-975-HD-2

Submitted on: 4/3/2023 12:10:50 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Alameahokulani	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill.

SB-975-HD-2

Submitted on: 4/3/2023 12:11:57 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

Thank you for scheduling a hearing for SB975.

I am in strong support of SB975. Hawaii has among the highest rates of middle school and high school e-cigarette (ESD) use in the nation and vaping has been declared a youth epidemic by the U.S. Surgeon General. One in three high school students and one in five middle school students report “currently regularly using” e-cigarettes (per 2019 YRBS data).

As a parent and health educator, this is extremely concerning as there are numerous health impacts from e-cigarettes. ESDs contain numerous chemicals that are very harmful to the body (especially youth), including heavy metals, nickel, lead, arsenic, benzene, and formaldehyde. ESDs also contain a lot of nicotine. Nicotine addiction affects kids’ ability to focus and learn at school, it affects their emotions, it affects their relationships, it affects their self-confidence, and it affects their physical health in many ways. The list goes on. Further, nicotine is highly addictive! Once teens become addicted to nicotine, it is very difficult to quit, so they continue to breathe in all of those toxic ingredients in ESDs. Teens are also particularly vulnerable to nicotine, which permanently impacts their still developing brain.

Taxing and regulating sales of tobacco products is a proven strategy to reduce youth rates of use. However, e-cigarettes are the **ONLY** tobacco product without a tax and are being poorly regulated! E-cigarettes need to be taxed at 70% of the wholesale price (same as other tobacco products) and restrict online sales to prevent youth access. The funds accrued from this tax need to be put into prevention and control services.

I am in strong support of SB975 because it applies a tobacco tax to e-cigarettes and requires licensing and permitting for tobacco retailers and wholesalers.

Our youth deserve their health! Our youth deserve to remain addiction free. Please help protect our youth by supporting SB975.

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

SB-975-HD-2

Submitted on: 4/3/2023 12:26:30 PM

Testimony for FIN on 4/4/2023 3:00:00 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: SB 975, SD2, HD2 Relating to Health, Strong Support

Representatives Yamashita and Kitagawa and members of the Committee on Finance:

SB 975, SD2, HD2 will address the continued escalation of e-cigarette use among our youth, putting our children’s health at risk – including becoming a lifelong addiction. By addressing the unlawful shipment of e-cigarettes, taxing them the same as other tobacco products, and licensing and permitting sellers, you will implement comprehensive regulations to address this crisis. This is an important bill that applies commonsense regulations to e-cigarettes

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).

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

Hilo, HI

SB-975-HD-2

Submitted on: 4/3/2023 12:42:54 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Chelsey Leialoha	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill

COMMITTEE ON FINANCE
Rep. Kyle T. Yamashita, Chair
Rep. Lisa Kitagawa, Vice Chair

I'm Zoey, a local youth from Nu'uuanu/Liliha, and I support SB 975 SD2 HD2 and request that the Finance Committee insert language to tax e-cigarettes at 70% of the wholesale price.

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 SB975, so that we can truly prevent the dangers of tobacco from affecting both my generation and our future generations.

Mahalo,
Zoey Duan

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

My name is Karena and I'm from Mililani, Oahu. I am submitting testimony in support of SB 975 to regulate e-cigarettes like other 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 e-cigarettes like other 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: Representative Kyle T. Yamashita, Chair and Members of the Committee on Finance

From: Jaelyn Natividad

Re: Support for SB 975

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.

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

Support for SB 975

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

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

April 3, 2023

Support for SB975

I support SB975 SD2 HD2 and request that the Finance Committee insert language to tax e-cigarettes the same as other tobacco products. 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 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

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

I'm Samantha Lay, a junior at Roosevelt High School and I **support** SB975 SD2 HD2 but ask that the language be changed to tax e-cigarettes at 70% of the wholesale price.

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 the same rate as other tobacco products it will be able to quickly raise the price which will deter youth from starting and encourage youth to quit.

Chair Kyle T. Yamashita, Vice Chair Lisa Kitagawa, and members of the Committee on Finance.

Support for SB 975

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 crossed my mind for me to try it, because I know it's wrong. Yet 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 a 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: Chair Kyle T. Yamashita, Vice Chair Lisa Kitagawa, and members of the Committee on Finance

From: Daniel Valera

Re: Support for SB975

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.

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

I believe it's important to regulate e-cigarettes the same as other tobacco products and **support SB 975 SD2 HD2 but request that the Finance Committee insert language to tax e-cigarettes at 70% of the wholesale price.**

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. 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 knew I was in trouble. 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. The low price of vapes makes them easy to get.

Raising the price will help but we need to do more. The relatively easy access to e-cigarettes purchased online has impacted my school and neighborhood. 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 them. Please regulate vapes the same as other tobacco products.

Maui E.
Hilo, Hawaii

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

From: Destin

Date: 3/22/2023

Re: Support for SB 975

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

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

From: Moani Yamanoha

Re: Support for SB 975

I support SB 975 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, and
members of the Committee on Finance

Support for SB975

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 and kids who are not financially independent think twice before buying.

Mary Liaguno
Waikaloa, HI

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

My name is Sydnee Yokota and I am testifying in support of SB975.

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, exciting flavors and low costs 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, surrounded by candy, 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 to not start using them. **I ask that you change the language in SB975 SD2 HD2 to tax e-cigarettes at 70% of the wholesale price.**

Thank you for the opportunity to testify,

Sydnee Yokota
Pepeekeo

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

Support for SB 975.

My name is Zoe Gacayan, I'm from Paauilo and I'm testifying in support of SB 975. We need to acknowledge that e-cigarettes are the same as any and every other 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 make the youth not buy as much. The current low cost can cause 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.

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

I am testifying in support of SB975.

I believe that we need to regulate e-cigarettes the same as other tobacco products and tax them at the same rates because if the tax makes it more 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 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

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

Support for SB 975

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 the law so they won't be targeted by vaping companies like kids my age.

By treating 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: Chair Kyle Yamashita and members of the Committee on Finance

From: Jaedyn Pavao, Kalaheo Hawaii

I support SB 975. 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 .

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

My name is Lokella Medeiros and I am from Hilo. I am testifying in support of SB975. 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.

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

I am testifying today in support of SB 975

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

SB-975-HD-2

Submitted on: 4/3/2023 1:17:03 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Randy Oberes	Individual	Oppose	Written Testimony Only

Comments:

"I STRONGLY OPPOSE SB975 SD2 HD2"

SB-975-HD-2

Submitted on: 4/3/2023 1:37:23 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Jordan	Individual	Support	Written Testimony Only

Comments:

The committee's intent to regulate e-cigarettes as a tobacco product is greatly appreciated. But, if we truly want to discourage e-cigarette use in our youth we request the committee reverts the bill to the SD2 version. This will ensure that e-cigarettes are taxed at 70% of the wholesale price which is the same as other tobacco products. This will restrict online sales which can help prevent access to the youth. The unregulated marketing and lack of proper regulatory controls have led to a sharp rise in the use of these products. In two decades the comprehensive regulation of cigarettes and other tobacco products has helped Hawai'i save 1 billion dollars in healthcare costs. Comprehensive regulation has lowered the adult smoking rate and reduced high school smoking. E-cigarettes are also not FDA-approved cessation devices and are not recommended by healthcare providers. I appreciate the committee taking the time to read this testimony, this matter is extremely important to me. Thank you.

SB-975-HD-2

Submitted on: 4/3/2023 1:54:30 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Niko Okiyama	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB975 SD2 HD2.

SB-975-HD-2

Submitted on: 4/3/2023 2:01:41 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
ellen benton	Individual	Oppose	Written Testimony Only

Comments:

I oppose this bill because it is targeting adults that choose to use alternative smoke free alternatives to traditional cigarettes and cigars.

SB-975-HD-2

Submitted on: 4/3/2023 2:10:37 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Dillon Rellez	Individual	Oppose	Written Testimony Only

Comments:

I don't think the government should take money from the people who keep the community together. This is unfair, stop trying to make these laws when there are so many other things to clean up.

SB-975-HD-2

Submitted on: 4/3/2023 2:22:15 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Cara valenzuela	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose this bill because how will businesses run and I will not have a job and no income to support my bills.

SB-975-HD-2

Submitted on: 4/3/2023 2:40:21 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Eloise Bradham	Individual	Support	Written Testimony Only

Comments:

I am an MD, and would like to submit strong support of bill SB 975, regulating e - cigarettes. This is a public health threat that must be regulated, as they are targeted toward minors. Thanks,

Eloise Bradham, MD

SB-975-HD-2

Submitted on: 4/3/2023 3:02:34 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Hoku	Individual	Oppose	Written Testimony Only

Comments:

Aloha!

I oppose bill SB975 Relating to Health. I oppose this bill because I do not agree with an excise tax on each electronic smoking device or e-liquid sold, used or possessed by wholesaler or dealer.

I personally do not understand the states annual need to ban and tax electronic vape products. It is honestly sickening. You can continue to claim over and over that it is "for the safety of the children" But in my opinion that is straight BS.

If it really were for the "safety" of the children then why not create a possession law that will result in the minor and legal guardian to be fined for the possession of a nicotine product???

Seriously... I am absolutely dissapointed.

There are so many other issues in Hawaii that needs the states guidance more than anything else; like the overflowing of homeless right in the heart of Hilo, the massive potholes in that VERY SAME TOWN; one of the roads being Waianuenue Avenue where there are at least 3 schools, drug-users and homeless sleeping in parks and pavilions because of the lack of homeless shelters, and so so so so so much more.

I have been a cigarette smoker for 15 years and a vaper for the last 9 years. I was able to quit smoking harmful tar filled cigarettes 9 years ago, by using nicotine vape products. Since then my lungs and I feel 10 years younger. I used nicotine vape products to quit smoking cigarettes and I used nicotine-free vape products to quit vaping nicotine.

I am now tobacco-free and nicotine- free. And that is all thanks to electronic vape devices and e-liquid. I have personally gotten many family and friends to switch to vaping healthily and I will continue to do so. I will not allow our state to ban, tax and make vape products harder for adults to get.

SB-975-HD-2

Submitted on: 4/3/2023 3:10:46 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Loren Lindborg	Individual	Support	Written Testimony Only

Comments:

Taxation, regulation, licensing, permitting, education and cessation services are essential elements of reforming tobacco laws and a key to bringing down the use of tobacco amongst both adults and youth.

SB-975-HD-2

Submitted on: 4/3/2023 3:19:58 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Keanu G	Individual	Oppose	Written Testimony Only

Comments:

Hello. Vaping has saved my life. Please no SB975!

SB-975-HD-2

Submitted on: 4/3/2023 4:06:08 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Bryson	Individual	Oppose	Written Testimony Only

Comments:

Aloha!

I am writing to express my opposition to Bill SB975, which aims to impose excessive regulations and restrictions on vaping products. While I understand the need to protect our community from the potential dangers of substance abuse, I believe this bill fails to recognize the benefits of vaping, particularly when it comes to harm reduction and smoking cessation.

1. **Harm Reduction:** A wealth of scientific evidence has demonstrated that vaping is significantly less harmful than traditional tobacco smoking. The Royal College of Physicians, a respected medical organization in the UK, estimates that e-cigarettes are 95% less harmful than smoking. By imposing restrictions on vaping products, we are effectively discouraging a safer alternative for adult smokers who are looking to reduce the risks associated with tobacco use.
2. **Smoking Cessation:** Vaping has proven to be an effective tool in helping many smokers quit tobacco. According to a study published in the New England Journal of Medicine, e-cigarettes were nearly twice as effective as nicotine replacement therapies, such as patches and gum, in helping smokers quit. By limiting access to vaping products, Bill SB975 could inadvertently hinder the progress of those who are using e-cigarettes to quit smoking and maintain abstinence.
3. **Economic Impact:** The vaping industry has created thousands of jobs and generated significant tax revenue in recent years. Overregulating this industry may lead to job losses, reduced tax revenue, and the closing of small businesses. It is crucial that we consider the economic implications of such legislation.
4. **Unintended Consequences:** Imposing excessive restrictions on vaping products could push users towards unregulated markets, where safety and quality control are lacking. This may lead to an increase in the use of counterfeit and potentially harmful products, ultimately putting public health at greater risk.

In conclusion, I urge you to reconsider the provisions of Bill SB975 and to take into account the benefits that vaping can provide, particularly for harm reduction and smoking cessation. It is important that any legislation enacted in this area be evidence-based and balanced, ensuring the protection of public health while also supporting those who are using vaping products as a means to quit smoking and improve their health.

As a concerned citizen, I kindly request that you carefully consider the potential consequences of Bill SB975 and work towards a more nuanced approach that acknowledges the benefits of vaping for adult smokers, without compromising the health and safety of our community.

Thank you for your time and consideration. I am hopeful that, together, we can find a solution that benefits all parties involved and truly serves the best interests of public health.

Sincerely,

Bryson Jelf

5. [REDACTED]
6. [REDACTED]
7. [REDACTED]
8. [REDACTED]

SB-975-HD-2

Submitted on: 4/3/2023 4:54:29 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Nicholas Winters	Individual	Oppose	Written Testimony Only

Comments:

This unfair tax and regulation violates my right to interstate trade.

SB-975-HD-2

Submitted on: 4/3/2023 5:30:12 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Anthony Carothers	Individual	Oppose	Remotely Via Zoom

Comments:

With 32 years of experience including purchasing illegal gund, drugs, stolen property and loose cigarettes in the preformance of my assignments, I can tell you that, any previously legal mrechandise that has been deemed illegal but still desired by the public WILL be sold illegally and will come from other countries with no U.S. oversight, no FDA, no testing and often produced in unsafe and unsanitary locations.

We have already witnessed several black people who have had unessary contacct by police and this contact resulted in the loss of life over the allegation of selling, purcasing or theft of a menthol cigarette. Additionally, as a former commander of one of the most violent districts in the city of Chicago I can also tell you that no supervisor needs to have to review this minor activity while combatting murders, shootings, robberies and more.

For these and other reasons i do not support an outright ban but I do support education and cessation programs, in fact in the United Kingdom it has been reported that, thousands of former smokers were able to sucessful stop smoking with the aid of e-cigarettes aka vape pens.

Anthony Carothers

Retired Chicago Police Commander.

SB-975-HD-2

Submitted on: 4/3/2023 7:27:12 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Tayler Christian	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB975 SD2 HD2.

SB-975-HD-2

Submitted on: 4/3/2023 7:41:54 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
Czarina Roxanne	Individual	Oppose	Written Testimony Only

Comments:

I strongly oppose SB975 SD2 HD2

SB-975-HD-2

Submitted on: 4/3/2023 9:34:40 PM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
jeanne wheeler	Individual	Support	Written Testimony Only

Comments:

Please help our health & pass this Bill - Mahalo, JW

SB-975-HD-2

Submitted on: 4/4/2023 7:00:20 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

Submitted By	Organization	Testifier Position	Testify
John Fitzpatrick	Individual	Support	Written Testimony Only

Comments:

Aloha House Finance Committee,

I am in strong support of SB 975 because these tobacco products are permeating through our high schools, middle schools, and even our elementary schools. It is an epidemic because the ecigarette companies are targeting our youth using flavored oils and making the vapes extremely conspicuous where they can look like flash drives and pens so adults will not catch them vaping.

By requiring everyone to go to a store and have to prove their age and by taxing these products to make them expensive we can not only raise funds for things like public education but we can make these products too expensive for our keiki to purchase.

I also urge you to ban the flavors of these products like menthol was banned to prevent cigarette smoking.

Please pass this bill and protect our keiki from the predatory practices of the e-cigarette industry!

Mahalo,
Fitz

Tuesday, April 4, 2023

To: Representative Della Au Belatti, Chair
Representative Jenna Takenouchi, Vice Chair
Members of the House Committee on Health & Homelessness

Re: SB975 SD2 Relating to Health

Aloha,

As a parent of a teenager, I strongly support SB975 SD2 HD2. A major public health issue in the country is the use of e-cigarettes or vaping by teenagers and young adults. Compared to cigarettes, e-cigarettes are currently the tobacco product most frequently used by adolescents and young adults.

E-cigarettes heat a liquid, typically containing nicotine, flavorings, and other compounds contributing to the aerosol's creation. Nicotine is highly addictive and can impair teenage brain development, which lasts into the early to mid-20s. Nicotine and flavorings are frequently found in the liquid used in e-cigarettes. E-cigarettes come in various flavors, including fruit, candy, mint, and menthol. In 2022, most youth who reported using e-cigarettes used flavored varieties (84.9%). In 2022, the most popular flavors among middle and high school students who used any flavored e-cigarette were fruit (69.1%), candy, desserts, or other sweets (38.3%), mint (29.4%), and menthol (26.6%).

According to a [2018 study](#) on socioeconomic disparities in vape shop density and proximity to public schools in the conterminous United States, vape shops are more densely distributed and closer to schools in school districts with higher percentages of Asian and Black or African American populations. Hawaii is one of the states with the highest Asian population (38.95%). As an Asian, I am worried about the availability of e-cigarettes or vaping shops on the route to school. On the route to and from school, a large variety of e-cigarette brands and accessories may be available, which might present opportunities for adolescents to vape.

In Hawaii, nearly one in three high school students frequently vape. E-cigarette users among teenagers are four times more likely to try traditional cigarettes and three times more likely to start smoking. Most youths do not realize that e-cigarettes contain nicotine, and most do not know that smoking is harmful. They may start vaping to deal with stress or anxiety, thus creating a cycle of nicotine dependence and becoming addicted to nicotine.

To protect the health of our kids, teenagers, and young adults in Hawai'i, I strongly support this bill. Vaping need to be subject to the same regulations as conventional tobacco products.

By taxing electronic smoking devices and e-liquids and regulating retailers and wholesalers of these items, like retailers and wholesalers of existing tobacco products, we can restrict the availability of e-cigarette products and lower the rate of vaping in youth.

Thank you for the opportunity to testify to support SB 975 bill.

Nargis Sultana

SB-975-HD-2

Submitted on: 4/4/2023 10:51:26 AM

Testimony for FIN on 4/4/2023 3:00:00 PM

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

Comments:

Aloha I reside in Pukalani, Maui, and as a concerned parent of two younger children, I urge you to support and pass this bill. One way to protect our keiki is to ensure that we restrict the availability of tobacco products as much as possible, for their health and for the wider health of our community. Please place the health of our community first by passing this important legislation.

Mahalo for your time and consideration.

Rick Collins

Pukalani, Maui