

Honolulu, Hawaii

MAY 02 2023

RE: S.B. No. 975  
S.D. 2  
H.D. 3  
C.D. 1

Honorable Ronald D. Kouchi  
President of the Senate  
Thirty-Second State Legislature  
Regular Session of 2023  
State of Hawaii

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

Sirs:

Your Committee on Conference on the disagreeing vote of the Senate to the amendments proposed by the House of Representatives in S.B. No. 975, S.D. 2, H.D. 3, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

having met, and after full and free discussion, has agreed to recommend and does recommend to the respective Houses the final passage of this bill in an amended form.

The purpose of this measure is to:

- (1) Establish the offense of unlawful shipment of tobacco products;
- (2) Include electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the Cigarette Tax and Tobacco Tax Law;
- (3) Amend the license and permit fees for wholesalers, dealers, and retailers;



- (4) Beginning January 1, 2024, impose an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer;
- (5) Repeal the Electronic Smoking Device Retailer Registration Unit under the Department of the Attorney General; and
- (6) Repeal provisions in the Hawaii Revised Statutes governing delivery sales of electronic smoking devices.

Your Committee on Conference finds that tobacco use is the single most preventable cause of disease, disability, and death in the United States. Your Committee on Conference further finds that the use of electronic smoking devices and e-liquids has grown rapidly, particularly in Hawaii, which has led to a youth vaping epidemic. This measure will provide additional layers of protection against the rapid growth of the use of electronic smoking devices, including financial disincentives to purchase these products, for consumers in the State, especially for youth and young adults.

Your Committee on Conference has amended this measure by:

- (1) Clarifying the definition of "electronic smoking device";
- (2) Inserting a tobacco license fee of \$250;
- (3) Inserting a retail tobacco permit fee of \$50;
- (4) Inserting an excise tax of seventy percent of 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;
- (5) Clarifying that this measure does not affect rights and duties that matured, penalties that were incurred, and proceedings that were begun before its effective date;
- (6) Inserting an effective date of July 1, 2023; and
- (7) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

As affirmed by the record of votes of the managers of your Committee on Conference that is attached to this report, your Committee on Conference is in accord with the intent and purpose of S.B. No. 975, S.D. 2, H.D. 3, as amended herein, and recommends that



it pass Final Reading in the form attached hereto as S.B. No. 975,  
S.D. 2, H.D. 3, C.D. 1.

Respectfully submitted on behalf  
of the managers:

ON THE PART OF THE HOUSE

ON THE PART OF THE SENATE

  
DELLA AU BELATTI  
Co-Chair

  
DAVID A. TARNAS  
Co-Chair

  
KYLE T. YAMASHITA  
Co-Chair

  
JOY A. SAN BUENAVENTURA  
Chair

  
JARRETT KEOHOKALOLE  
Co-Chair

  
HENRY C. AQUINO  
Co-Chair

  
KARL RHOADS  
Co-Chair



Hawai'i State Legislature

CCR 196

Record of Votes of a  
Conference Committee

Bill / Concurrent Resolution No.: <b>SB 975, SD 2, HD 3</b>	Date/Time: <b>4/28/23 5:26pm</b>
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The recommendation of the House and Senate managers is to pass with amendments (CD).

The Committee is reconsidering its previous decision.

The recommendation of the Senate Manager(s) is to AGREE to the House amendments made to the Senate Measure

The recommendation of the House Manager(s) is to AGREE to the Senate amendments made to the House Measure.

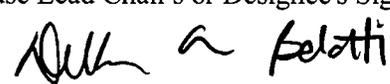
Senate Managers	A	WR	N	E	House Managers	A	WR	N	E
SAN BUENAVENTURA, Joy A., Chr.	/	/			BELATTI, Della Au, Co-Chr.	/	/		
KEOHOKALOOLE, Jarrett, Co-Chr.	/	/			TARNAS, David A., Co-Chr.	/	/		
AQUINO, Henry J.C., Co-Chr.	/	/			YAMASHITA, Kyle T., Co-Chr.	/	/		
RHOADS, Karl, Co-Chr.	/	/			LA CHICA, Trish	/	/		
SHIMABUKURO, Maile S.L.	/	/			GARCIA, Diamond	/	/		
<b>TOTAL</b>	<b>5</b>	<b>/</b>	<b>/</b>	<b>/</b>	<b>TOTAL</b>	<b>5</b>	<b>/</b>	<b>/</b>	<b>/</b>

A = Aye      WR = Aye with Reservations      N = Nay      E = Excused

Senate Recommendation is:  
 Adopted       Not Adopted

House Recommendation is:  
 Adopted       Not Adopted

Senate Lead Chair's or Designee's Signature:  


House Lead Chair's or Designee's Signature:  


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