

DAVID Y. IGE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809
PHONE NO: (808) 587-1540
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MARIA E. ZIELINSKI
DIRECTOR OF TAXATION

To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: Wednesday, April 8, 2015
Time: 2:00 P.M.
Place: Conference Room 308, State Capitol

From: Maria E. Zielinski, Director
Department of Taxation

Re: S.B. 1032, S.D. 2, H.D.1, Relating to Chapter 245, Hawaii Revised Statutes

The Department of Taxation (Department) provides the following comments on S.B. 1032, S.D. 2, H.D. 1 for your consideration, and defers to the Department of Health regarding the merits of this measure.

S.B. 1032, S.D. 2, H.D. 1 amends the Cigarette Tax and Tobacco Tax Law by taxing non-tobacco nicotine-containing products at a rate of 70% of the wholesale price of such items. This measure also changes the yearly tobacco wholesaler or producer license fee by an unspecified amount, and changes the yearly retail tobacco permit by an unspecified amount per retail location. H.D.1 has an effective date of July 1, 2015.

The Department requests this measure be amended to include an effective date of January 1, 2016 to allow the Department time to amend its forms and instructions.

Thank you for the opportunity to provide comments.



UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

Written Testimony Presented Before the
House Committee on Finance
April 8, 2015 at 2:00 pm

By

Robert Bley-Vroman, Chancellor

and

Jerris Hedges, MD, MS, MMM

Dean, John A. Burns School of Medicine

Interim Director, University of Hawai'i Cancer Center

University of Hawai'i at Mānoa

SB 1032 SD2 HD1 – RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

Chair Luke, Vice Chair Nishimoto, and Members of the Committee:

The University of Hawai'i Cancer Center supports this bill.

The UH Cancer Center is one of only 68 institutions in the United States that hold the prestigious National Cancer Institute (NCI) designation, and is the only NCI-designated center in the Pacific. The NCI designation provides greater access to federal funding and research opportunities, and it gives the people of Hawai'i and the Pacific region access to innovative and potentially life-saving clinical trials without traveling to the mainland.

Our passion at the UH Cancer Center is to be a world leader in eliminating cancer through research, education and improved patient care. Because tobacco consumption is a leading preventable cause of cancer, we take all issues related to tobacco very seriously. Whereas the UH Cancer Center always has supported strong tobacco control measures in Hawai'i, the recent emergence of electronic smoking devices presents new challenges for tobacco control and tobacco-related legislation.

The UH Cancer Center perspective on electronic smoking devices is informed by the scientific literature, including original published research by our own faculty. For example, UH Cancer Center researcher Thomas Wills, PhD, uncovered a growing public health problem among Hawaii's youth by showing Hawai'i teens used e-cigarettes at nearly triple the rate of mainland teens. His study in the journal *Pediatrics* further showed that e-cigarettes use was growing nationally among teens.

In light of the emerging prevalence of other forms of tobacco products and the use of electronic smoking devices, this is an appropriate time to increase the license fees. All forms of tobacco products and electronic devices that deliver nicotine should be taxed at the same or comparable rates.

We respectfully urge you to pass this bill.

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Imposition on products containing nicotine

BILL NUMBER: SB 1032, HD-1

INTRODUCED BY: House Committee on Consumer Protection and Commerce

EXECUTIVE SUMMARY: The measure broadens the tobacco tax to include nicotine products that do not contain tobacco. The apparent intent is to reach vapor products known as “e-cigarettes,” but the measure is still a tax increase. In addition, the measure seeks to increase license fees charged to tobacco wholesalers and retailers.

BRIEF SUMMARY: Amends HRS section 245-1 by amending the definition of “tobacco products” to include any product containing nicotine, but not containing tobacco, that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means that has not been approved by the United States Food and Drug Administration for tobacco cessation purposes.

Makes nontax amendments to increase the various application and license fees of tobacco wholesalers and retailers. The increase is to unspecified amounts.

EFFECTIVE DATE: July 1, 2015

STAFF COMMENTS: Currently tobacco products, other than cigarettes and large cigars, are taxed at 70% of the wholesale price of the product. The proposed measure amends the definition of tobacco products to include any product containing nicotine that does not contain any tobacco. If it is the intent of this measure to also tax e-cigarettes under the tobacco tax law, the definition should be revised because not all e-cigarettes contain nicotine.

The next 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 have an effect 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 to raise more money, then maybe some consideration should be given to lowering the tax to stoke demand.

Digested 4/7/15



Executive Officers:

John Schilf, RSM Hawaii - Chairperson
Derek Kurisu, KTA Superstores - Vice Chair
Lisa DeCoito, Aloha Petroleum - Treasurer
John Erickson, Frito-Lay - Secretary
Lauren Zirbel, Executive Director

1050 Bishop St. PMB 235
Honolulu, HI 96813
Fax : 808-791-0702
Telephone : 808-533-1292

TO:
COMMITTEE ON FINANCE
Representative Sylvia Luke, Chair
Representative Scott Y. Nishimoto, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: April 8, 2015
TIME: 2pm
PLACE: Conference Room 308

RE: SB1032 SD2 HD1

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

Hawaii has the second highest tobacco taxes of any state. By attempting to increase the fees as well this bill unfairly targets retailers and wholesalers, rather than focusing efforts on tobacco users.

Retailer license fees exist to pay for the licensing process and enforcement, not as a tool for public health. The existing fees should be sufficient to cover their intended purposes and attempts to increase them to support other goals sets a bad precedent.

Furthermore, the fact that electronic smoking devices look similar to cigarettes and can also contain nicotine is not sufficient reason to change the regulatory definition of "tobacco products" and add additional fees and taxes to these products. Electronic smoking devices do not contain tobacco and are not tobacco products. Smoking cessation products, which also contain nicotine, are not subject to the same regulations and taxes as cigarettes. This suggests that the primary reason for including electronic smoking devices in the definition of "tobacco products" is that they physically resemble cigarettes. The physical resemblance of one product to another is not a sufficient reason to impose a costly and burdensome regulatory and tax structure, which will negatively impact wholesalers, retailers, and consumers.

For these reasons we ask that you defer this measure indefinitely. Thank you for the opportunity to testify.



To: The Honorable Sylvia Luke, Chair
The Honorable Scott Y. Nishimoto, Vice Chair
Members, House Committee on Finance

From: Lyndsey Garcia, Policy & Advocacy Director

Date: April 6, 2015

Hrg: House Committee on Finance; Wednesday, April 8, 2015 at 2:00PM in Rm 308

Re: **Strong Support with Recommendations for SB 1032, SD2, HD1, Relating to Chapter 245, Hawai`i Revised Statutes**

Thank you for the opportunity to offer testimony in **strong support** of Senate Bill 1032, SD2, HD1, and offer recommendations that the license fee for a person engaged as a wholesaler or dealer of cigarettes or tobacco products be increased to \$250 and the permit fee for retailers engaged in the retail sale of cigarettes and other tobacco products be increased to \$50.

The Coalition for a Tobacco Free Hawai`i (Coalition) is a program of the Hawai`i Public Health Institute working to reduce tobacco use through education, policy and advocacy. Our program consists of over 100 member organizations and 2,000 advocates that work to create a healthy Hawai`i through comprehensive tobacco prevention and control efforts.

The Coalition supports increasing the wholesaler and dealer license fee to \$250.

After state by state research on license fees for wholesalers, dealers, and distributors, the Coalition finds that of all the states that charge a wholesale and dealer license fee, Hawai`i has the lowest wholesaler and dealer license fee in the nation at **\$2.50**. This fee has not increased since 1995.

Nationally, the amounts range from no fee to \$1,500 per year. Of the 40 states that have fees, Hawai`i has the lowest fee. 14 states charge \$200 per year or more and nine states charge between \$500 per year and \$1,500 per year. Hawai`i is only one of two states that charges a wholesaler less than a retailer. Comparatively, the City and County of Honolulu Liquor Commission charges \$2,640 annually for a Wholesale General Standard liquor license.

The Coalition supports increasing the retail tobacco permit fee to \$50.

After state by state research on permit fees for retailers, the Coalition finds that of all the states that charge a retail tobacco permit fee, Hawai`i currently has one of the lowest retailer permit fees in the nation at **\$20**. This fee has not increased since 2006 when it was instituted.

Nationally, the amounts range from no fee to \$1,000 per year. Of the 32 states that charge a retailer permit fee, 15 states charge more than \$20 per year but less than \$100 per year, with about half of those states charging \$50 per year or more. The average amount charged is \$83.75 per year. Comparatively, the City and County of Honolulu Liquor Commission charges \$1,200 annually for a Retail General Standard liquor license.



The proposed increases in the wholesaler and dealer license fee as well as the retail tobacco permit fee are reasonable as both are much lower than the respective liquor license fees. In 2014 only \$465 was collected for tobacco wholesaler and dealer license fees and only \$29,130 was collected from tobacco retail permit fees.¹

The Coalition supports expanding the definition of tobacco products.

This measure will also expand the definition of tobacco products to include “any product containing nicotine, but not containing tobacco, that is intended for human consumption, whether chewed, smoked, absorbed, dissolved, inhaled, snorted, sniffed, or ingested by any other means, that has not been approved by the United States Food and Drug Administration for tobacco cessation or other medical purposes.”

The expanded definition will require wholesalers and dealers as well as retailers of other nicotine delivery devices such as electronic smoking devices (ESDs) to apply for licenses and permits respectively. This requirement is important for state officials to be able to track wholesalers, dealers, and retailers of these products and to be able to properly inform them whenever there are changes in laws that pertain to these products.

Currently, ESDs are not regulated by the U.S. Food and Drug Administration (FDA) and are not FDA approved tobacco cessation devices. ESDs do not emit harmless “water vapor,” but rather an aerosol which contains nicotine, ultra-fine particles, and toxic chemicals including formaldehyde, lead, nickel, and acetaldehyde, all of which are known to cause cancer, birth defects, and other reproductive harm.² Youth usage of ESDs is growing at an alarming rate especially in Hawai`i where teen use is twice as high as the national average. According to the Hawai`i Youth Tobacco Survey in 2013 youth usage (at least once in the past 30 days) tripled (18%) among high school students and quadrupled (8%) among middle school students.

The Coalition strongly supports SB 1032, SD2, HD1, and respectfully asks you to pass this measure.

Thank you for the opportunity to testify on this matter.

Respectfully,

A handwritten signature in black ink that reads "Lyndsey Garcia". The signature is written in a cursive, flowing style.

Lyndsey Garcia
Policy and Advocacy Director

¹ State Department of Taxation, Tax Research and Planning, Calendar Year Summary 02-03-15.

² California Department of Public Health, “State Health Officer’s Report on E-Cigarettes: A Community Health Threat.” January 2015. Available at <http://www.cdph.ca.gov/programs/tobacco/Documents/Media/State%20Health-e-cig%20report.pdf>.



To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: Wednesday, April 8, 2015
Time: 2:00 p.m.
Place: Conference Room 308, State Capitol

From: Les Drent
for the Hawaii Cigar Association

Re: SB1032 SD2 HD1, Relating To Chapter 245, Hawaii Revised Statutes

Dear Representative Sylvia Luke, Chair and Members of the House Committee on Finance,

The Hawaii Cigar Association (HCA) respectfully **OPPOSES** this measure for the following reasons:

1. The unreasonable and enormous increase of the tobacco wholesalers license, and the increase of the retail tobacco permit will unnecessarily harm small businesses in Hawaii. The vast majority of licensed tobacco wholesalers, and retailers currently abide by the rules and regulations under chapter 245, Hawaii Revised Statutes.
2. The increased fees will not further the enforcement of the law in regards to cigars, since the majority of these tobacco products are obtained by Hawaii residents through mail order from unlicensed entities outside of the state. A simple solution to ensure tobacco regulation, and the collection of tax revenue would be to enact a tax cap on large cigars, and create parity in the tax code. Unless Hawaii cigar retailers are able to compete with foreign businesses, any increase in licensing fees makes little sense. Under this proposal the sale of cigars from unlicensed sources would increase, and tax revenue would decrease.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Les Drent".

Les Drent
for the Hawaii Cigar Association

For More Information on the Hawaii Cigar Association please visit

hawaiicigarassociation.org



To: The Honorable Sylvia Luke, Chair
and Members of the House Committee on Finance

Date: Wednesday, April 8, 2015
Time: 2:00 p.m.
Place: Conference Room 308, State Capitol

From: Les Drent
for Kauai Cigar Company

Re: SB1032 SD2 HD1, Relating To Chapter 245, Hawaii Revised Statutes

Dear Representative Sylvia Luke, Chair and Members of the House Committee on Finance,

The Kauai Cigar Company, its 23 Hawaii based employees, and industry partners **OPPOSE** this measure.

Without any limit or cap on cigar taxes, our company already pays more taxes per cigar than any other manufacturer selling its products within the state. To increase the licensing fees for businesses that sell our products would be damaging to our company. The vast majority of Hawaii cigar aficionados already purchase their cigars from foreign unlicensed businesses. These added license fees would only encourage more customers to purchase their cigars through mail order, and online sources.

Without parity in the tax code, any increase in fees, or taxes makes little sense.

Respectfully submitted,

Les Drent
Farmer/President

From: Vin Kim <vinkim@gmail.com>
Sent: Monday, April 06, 2015 8:32 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Vin Kim
Honolulu, HI

finance1-Kim

From: Teddy Kim <Teddykim613@yahoo.com>
Sent: Monday, April 06, 2015 8:42 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. E-cigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Teddy Kim

From: Suzanne Jackson <suzanne777702@yahoo.com>
Sent: Tuesday, April 07, 2015 12:37 AM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

If you plan to tax anything simply because it has nicotine in it, are you planning to let the population know that their tea, potatoes and tomatoes will also be subject to a 70% "tobacco tax"?

Surely if nicotine is such a demon, the target should be to make the selling of cigarettes, cigars and chewing tobacco illegal. Similarly, to not tax nicotine inhalers and other nicotine products to children over the age of 12 but to tax vapor products is a double standard.

There are numerous highly respected scientific reports that prove vapor products are a definitive harm reduction and have enabled 30, 40 and 50 year smokers to quit the dreadful consequences of smoking tobacco's mixture of MOAI's arsenic, acetone and 4,000 other chemicals found in the average cigarette, of which nicotine constitutes only one natural ingredient. They include but are not limited to:

Burstyn, I, Peering through the mist: What does the chemistry of contaminants in electronic cigarettes tell us about health risks?, Department of Environmental and Occupational Health School of Public Health Drexel University, 2013 July-Aug.

<http://www.biomedcentral.com/1471-2458/14/18/abstract>

Bullen C, C, McRobbie H, Thornley S, Glover M, Lin R, Laugesen M. Effect of an electronic nicotine delivery device (e cigarette) on desire to smoke and withdrawal, user preferences and nicotine delivery: randomised cross-over trial. *Tob Control*. 2010 Apr;19(2):98-103.

<http://www.healthnz.co.nz/2010%20Bullen%20ECig.pdf>

Caponnetto P, Polosa R, Auditore R, Russo C, Campagna D. Smoking Cessation with E-Cigarettes in Smokers with a Documented History of Depression and Recurring Relapses. *International Journal of Clinical Medicine*, 2011, 2, 281-284. <http://www.endsmoking.org.nz/IJCMecigsDepressionJuly2011.pdf>

Caponnetto P, Cibella F, Mancuso S, Campagna D, Arcidiacono G, Polosa R. Effect of a nicotine free inhalator as part of a smoking cessation program. *Eur Respir J*. 2011 May 12.

<http://www.ncbi.nlm.nih.gov/pubmed/21565921>

Caponnetto P, Keller E, Bruno CM, Polosa R. Handling relapse in smoking cessation: strategies and recommendations. *Intern Emerg Med*. 2012 Oct 7.

<http://link.springer.com/article/10.1007%2Fs11739-012-0864-z>

Caponnetto P, Auditore R, Russo C, Cappello GC, Polosa R. Impact of an electronic cigarette on smoking reduction and cessation in schizophrenic smokers: a prospective 12-month pilot study. *Int J Environ Res Public Health*. 2013 Jan 28;10(2):446-61. doi: 10.3390/ijerph10020446.

<http://www.ncbi.nlm.nih.gov/pubmed/23358230>

Darredeau C, Campbell M, Temporale K, et al. Subjective and reinforcing effects of electronic cigarettes in male and female smokers. 12th annual meeting of the Society for Research on Nicotine and Tobacco Europe. Bath, UK, 2010.

<https://secure2.symphonyem.co.uk/CMS/UserDocuments/899/Cathy%20Book1-121%20.pdf>

Dawkins L, Turner J, Hasna S, Soar K. The electronic-cigarette: Effects on desire to smoke, withdrawal symptoms and cognition. *Addict Behav*. 2012 Aug;37(8):970-3.

<http://www.ncbi.nlm.nih.gov/pubmed/22503574>

Eissenberg T. Electronic nicotine delivery devices: ineffective nicotine delivery and craving suppression after acute administration. *Tob Control*. 2010 Feb;19(1):87-8.

<http://tobaccocontrol.bmj.com/content/19/1/87.extract>

Flouris, Andreas D.; Poulianiti, Konstantina P.; Chorti, Maria S.; Jamurtas, Athanasios Z.; Kouretas, Dimitrios; Owolabi, Emmanuel O.; Tzatzarakis, Manolis N.; Tsatsakis, Aristidis M.; Koutedakis, Yiannis.

Acute Effects of Electronic and Tobacco Cigarette Smoking on Complete Blood Count. *Food and Chemical Toxicology* (in press). Available online 30 July 2012.

<http://dx.doi.org/10.1016/j.fct.2012.07.025>,

Goniewicz ML, Gawron M, Peng M, et al. Electronic cigarettes deliver similar levels of nicotine and reduce exposure to combustion toxicants after switching from tobacco cigarettes. Society for Research on Nicotine and Tobacco 18th Annual Meeting. Houston, Texas, USA, 2012. Page 40:

http://www.srnt.org/conferences/2012/pdf/2012_Abstracts_H.pdf

Miura K, Kikukawa Y, Nakao T, Tokai H, Izumi Y, Fujii H, Hojo, T. Safety Assessment of Electronic Cigarettes in Smokers. *SEIKATSU EISEI (Journal of Urban Living and Health Association)*. Vol. 55 (2011) , No. 1 p.59-64.

http://www.jstage.jst.go.jp/article/seikatsueisei/55/1/55_59/_article

Polosa R, Caponnetto P, Morjaria J B, Papale G, Campagna D, Russo C: Effect of an Electronic Nicotine Delivery Device (e-Cigarette) on Smoking Reduction and Cessation: A Prospective 6-Month Pilot Study.

BMC Public Health 2011, 11:786.

<http://www.biomedcentral.com/content/pdf/1471-2458-11-786.pdf>

Rodu B. The scientific foundation for tobacco harm reduction, 2006-2011. *Harm Reduct J*. 2011 Jul 29;8:19.

<http://www.ncbi.nlm.nih.gov/pmc/articles/PMC3161854/?tool=pubmed>

Rose JE, Turner JE, Murugesan T, Behm FM. Pulmonary delivery of nicotine pyruvate: sensory and pharmacokinetic characteristics. Poster, Society for Research on Nicotine and Tobacco 16th annual conference, Baltimore, 27 February 2010.

http://www.srnt.org/conferences/2010/pdf/2010_Program.pdf

Vansickel AR, Cobb CO, Weaver MF, Eissenberg TE. A clinical laboratory model for evaluating the acute effects of electronic "cigarettes": nicotine delivery profile and cardiovascular and subjective effects. *Cancer Epidemiol Biomarkers Prev.* 2010 Aug;19(8):1945-53. Epub 2010 Jul 20.
http://casaa.org/uploads/Virgiana_Commonwealth_University_Study.pdf

Vansickel AR, Eissenberg T. Electronic cigarettes: effective nicotine delivery after acute administration. *Nicotine Tob Res.* 2013 Jan;15(1):267-70. doi: 10.1093/ntr/ntr316. Epub 2012 Feb 6.
<http://www.ncbi.nlm.nih.gov/pubmed/22311962>

Vansickel AR, Weaver MF, Eissenberg T. Clinical laboratory assessment of the abuse liability of an electronic cigarette. *Addiction.* 2012 Jan 9.
<http://www.ncbi.nlm.nih.gov/pubmed/22229871>

Vardavas CI, Anagnostopoulos N, Kougias M, Evangelopoulou V, Connolly GN, Behrakis PK. Acute pulmonary effects of using an e-cigarette: impact on respiratory flow resistance, impedance and exhaled nitric oxide. *Chest.* 2011 Dec 22.
<http://www.ncbi.nlm.nih.gov/pubmed/22194587>

Parents must take an active control in their own children's behavior, including the use of vaping products. The law stating that vapor products be available to those over 18 is one I fully approve.

However, to save the thousands of lives of those who are much older, and reduce the burden of healthcare costs, I beg that you veto this bill.

Thank you for your time and consideration.

Suzanne Jackson
Hawaii

From: Shanice S. <shaniceshaka@gmail.com>
Sent: Monday, April 06, 2015 10:13 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Tobacco and Nicotine are NOT the same. Tobacco is a plant that CONTAINS nicotine, which basically tells you that they are not the same thing. Nicotine is only one chemical contained in the many other chemicals that cigarettes contain. Nicotine isn't always found in e-liquids, but when it is, it is ONLY ONE OF FOUR CHEMICALS that it contains. If you don't believe me, then maybe this proven study will prove to you that they are two different things, and that vaping is by far a healthier alternative to smoking:

<http://onlinelibrary.wiley.com/enhanced/doi/10.1111/add.12623/>

Overall, it is a fact that nicotine and tobacco is two very different things. It should not be categorized the same therefore, this bill should not be taxing e-cigarette products.

Thank you for your time and consideration.

Shanice S.
Kaneohe, HI

From: Savannah Coloma <savannah.coloma@gmail.com>
Sent: Monday, April 06, 2015 9:52 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Savannah Coloma
Ewa Beach, Hawaii

From: Robert Asuncion <robasuncion@gmail.com>
Sent: Monday, April 06, 2015 9:02 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Robert Asuncion

From: P Kuromoto <pk.hitest@spamgourmet.com>
Sent: Monday, April 06, 2015 9:39 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

It is dismaying and disgusting that this bill has made it this far and could become law. It is factually wrong, harmful to public health, and completely deceitful. Shame on any lawmaker that votes for this bill.

Thank you for your time and consideration.

P Kuromoto
Honolulu, HI

From: Owen Takei <otakei45@gmail.com>
Sent: Monday, April 06, 2015 7:22 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Owen Takei
honolulu

From: Michael Javier <hjavier1@hawaii.r.com>
Sent: Tuesday, April 07, 2015 4:03 AM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Michael Javier
Maui, HI

From: Menachem Levy <mlevy1990@gmail.com>
Sent: Tuesday, April 07, 2015 4:05 AM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Menachem Levy

From: Mehealani Fe Benito <ms.lani.f@gmail.com>
Sent: Monday, April 06, 2015 7:15 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Mehealani Fe Benito
Kapolei

From: Lane Tamashiro <electricolor@gmail.com>
Sent: Monday, April 06, 2015 8:38 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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To add to the above statement. No one will pay a 70% markup, it wont happen. People will order online from a state without ridiculous markups or just quit vaping and go back to smoking because this tax will effectively make it cheaper. Then the state will see very little tax revenue from this preposterous tax. THIS BILL HELPS NO ONE.

Thank you for your time and consideration.

Lane Tamashiro
Honolulu, HI

From: Kevin Tabangcura <kevin.tabangcura@gmail.com>
Sent: Monday, April 06, 2015 10:00 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Kevin Tabangcura
Ewa Beach, HI

From: Jason Overrein <horangi808@yahoo.com>
Sent: Monday, April 06, 2015 8:28 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Jason Overrein

From: Donovan Park <donovanjpark@gmail.com>
Sent: Tuesday, April 07, 2015 8:45 AM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Donovan Park
Kapolei , HI

From: Dezrae Kauhane <dezraelkauhane@yahoo.com>
Sent: Monday, April 06, 2015 8:43 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Dezrae Kauhane
Nanakuli

From: Devin Wolery <devin@pcgamerzhawaii.com>
Sent: Monday, April 06, 2015 7:39 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Devin Wolery
Pearl City, HI

From: Cristopher Baker <brooksbaker84@gmail.com>
Sent: Tuesday, April 07, 2015 6:34 AM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

E-cigarettes and vapor products have little to no negative effects on a persons health, in fact since I've quit smoking and started to use a vapor I feel 100 times better in the morning and through the day. I'm able to breathe better, foods have a more distinct flavor and my physical fitness has improved overall. The positive effects from using a vapor have only been a few for me, I'm though that there thousands of citizens who have had numerous improvements in their lives for quitting smoking and using e-cigarette products.

Thank you for your time and consideration.

Cristopher Baker
Wahiawa, Hi.

From: Brooke Balasbas <brooke.balasbas@hotmail.com>
Sent: Monday, April 06, 2015 9:51 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. E-cigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Brooke Balasbas
Ewa Beach, Hawaii

From: Ashley Fernandez <shevapes808@gmail.com>
Sent: Monday, April 06, 2015 9:51 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Ashley Fernandez
Ewa Beach, Hawaii

From: Alika Christian <alikhchristian@gmail.com>
Sent: Monday, April 06, 2015 9:30 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Alika Christian
Anahola, hi

From: Brysen F. <saichi.jp@gmail.com>
Sent: Tuesday, April 07, 2015 12:26 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

The increase of 70% is not the way to get those who are trying to quit smoking cigarettes. E-cigarettes are a proven way to lower health risks from smoking tobacco products. Please do not pass this bill as e-cigarettes are a cheaper and healthier alternative to tobacco products that can emit little to NO nicotine that may be hazardous to bystanders. Also the vapor produced can not be classified as smoke everyone thinks it is, it's vapor.

Thank you for your time and consideration.

Brysen F.
Honolulu, HI

From: Kevin Matsuda <fmrhawaii@hotmail.com>
Sent: Tuesday, April 07, 2015 2:57 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Kevin Matsuda
Mililani, HI

From: Jessica Matsuda <j_m80803@yahoo.com>
Sent: Tuesday, April 07, 2015 2:55 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Jessica Matsuda
Mililani, HI

From: Stephanie wambach <stephanie.brewer45@gmail.com>
Sent: Tuesday, April 07, 2015 3:15 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Stephanie wambach
Kailua

From: Travis kalkofen <kalkofentw@hotmail.com>
Sent: Tuesday, April 07, 2015 3:11 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Travis kalkofen
Aiea hi

From: Tasha Tatemichi <btquiocho@gmail.com>
Sent: Tuesday, April 07, 2015 3:31 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Tasha Tatemichi
Honolulu



From: Brianne serdenia <sbrianne92@yahoo.com>
Sent: Tuesday, April 07, 2015 3:47 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Brianne serdenia
Ewa beach, Hi

LATE

From: Brannon serdenia <bullshit_bas@yahoo.com>
Sent: Tuesday, April 07, 2015 3:45 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Brannon serdenia
Ewa beach,hi



From: Christian Halemano-Ponce <dot8o8@yahoo.com>
Sent: Tuesday, April 07, 2015 3:50 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Christian Halemano-Ponce
Waipahu, HI

From: Nathan A Mattern <volatilefluids@gmail.com>
Sent: Tuesday, April 07, 2015 4:42 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

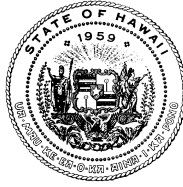
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Thank you for your time and consideration.

Nathan A Mattern
Pearl City, HI



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



**Testimony in SUPPORT of SB1032, SD2, HD1
RELATING TO CHAPTER 245, HAWAII REVISED STATUTES**

REPRESENTATIVE SYLVIA LUKE, CHAIR
HOUSE COMMITTEE ON FINANCE

Hearing Date: April 7, 2015

Room Number: 308

1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation
2 (DoTAX) on the fiscal implications.

3 **Department Testimony:** Tobacco licensing is an effective public health tool for limiting the
4 negative health consequences of tobacco use by ensuring that wholesalers and retailers comply
5 with responsible sales practices. The DOH would therefore support a significant increase in the
6 tobacco licensing and permitting fees. The current licensure fee has remained unchanged since
7 1995, despite high tobacco taxes and ever increasing tobacco industry expenditures in marketing
8 and advertising. In calendar year 2014, only \$465 was collected for tobacco license fees and
9 \$29,130 was collected for retail permits.¹ These amounts compare dismally to the \$127,332,584
10 collected by the State in taxes for all forms of tobacco products and the estimated \$26.9 million
11 spent by the tobacco industry for Hawaii marketing each year.²

12 The current license fee for tobacco wholesalers and retailers in Hawaii is \$2.50. An
13 analysis of tobacco sales license requirements across the United States reveals a very broad range
14 of fees for different statutory purposes. The amounts can vary from no fee at all to
15 \$1,500.00/year. Of the 40 states that do have fees, 26 states charge \$100.00/year or more and 14
16 states charge \$200.00/year or more. Nine states charge between \$500.00/year and
17 \$1,500.00/year. Hawaii is only one of two states that charge a wholesaler less than a retailer.

¹ State of Hawaii Department of Taxation: Tax Research & Planning, Calendar Year Summary 02/13/2015

² U.S. Federal Trade Commission (FTC), Federal Trade Commission (FTC). *Cigarette Report for 2011, 2013*

1 The retail tobacco permit was instituted in 2006 and DoTAX is the issuer of the annual
2 \$20.00 fee. Based on the total collections in 2014 for retail permits, there are 1,457 tobacco
3 retailers in the state³ Nationally, the amounts can vary from no fee to \$1,000.00/year. Of the 32
4 states that have retailer fees, 15 states charge more than \$20.00/year but less than \$100.00/year,
5 with about half (8 out of 15) of those states charging \$50.00/year, or more.

6 **Offered Amendments:** The DOH suggests revising the implementation date to 01/01/2016 to
7 provide adequate time for administration and implementation adjustments.

8 Thank you for the opportunity to testify.

^{3 3} State of Hawaii Department of Taxation: Tax Research & Planning, Calendarl Year Summary 02/13/2015

From: Kauai Kepaa <fliapyn08@gmail.com>
Sent: Tuesday, April 07, 2015 4:49 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. Ecigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Kauai Kepaa

From: Gordon fowler <weezmeister808@gmail.com>
Sent: Tuesday, April 07, 2015 4:47 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Gordon fowler
Aiea,hi

From: Marichu Ilo <isuhawaii@yahoo.com>
Sent: Tuesday, April 07, 2015 5:07 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Marichu Ilo

From: Jolene Mateo <joamber@me.com>
Sent: Tuesday, April 07, 2015 5:06 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Jolene Mateo

FIN-Jo

LATE

From: Andrew noir I <anojiri@hawaii.edu>
Sent: Tuesday, April 07, 2015 4:09 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Andrew noir I
Aiea

From: Sammy Ramirez <eenyuheye8o8@gmail.com>
Sent: Tuesday, April 07, 2015 6:03 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Sammy Ramirez

From: Dave S. Fukuoka <macmaui@flex.com>
Sent: Tuesday, April 07, 2015 6:14 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032.

There is little verified (i.e. "solid") evidence that e-cigarettes are even moderately harmful to the user and all indications are that there are miniscule, if any, adverse affects on bystanders. All of the studies I've seen sensationalized in the paper - including the recent "formaldehyde" finding - have been challenged by other well-qualified researchers. On the other hand, it is clear that e-cigarettes are much, much less harmful than real cigarettes.

Products such as e-cigarettes should be banned, restricted or tax- penalized only after they have been proven dangerous. "It might be dangerous" is simply not good enough and it is bad public policy to enact restrictive legislation based upon such a rationale. I have never been a "one issue" voter, but I feel strongly enough about this that I will not support or vote for any member of any legislative body who at this point in time supports and votes for any ban, unreasonable restrictions or unreasonable taxes on the use of e-cigarettes. It is simply way too early in the game to enact such measures.

I am at this point a firm believer in e-cigarettes as an alternative to smoking. I have good reason, as I - a smoker for more than 40 years - quit smoking instantly upon trying my first e-cigarette. To me it is - at this point in time - patently foolish to discourage smokers from embracing e-cigarettes. Instead, e- cigarettes should be encouraged as an alternative to smoking - at least unless and until they are proven to be "dangerous".

As background, what follows is my submission to the FDA regarding the proposed "enabling" regs:

From: Dave S. Fukuoka
To: FDA Center for Tobacco Products
RE: FDA, Docket No. FDA-2014-N-0189, Regulatory Information Number (RIN) 0910- AG38

I am a retired attorney. I also hold a M.B.A. I will be 60 years old this year. I started smoking as a freshman in college. I tried to quit several times over the years. I tried hypnotism, a hand-held digital device, nicotine patches and nicotine gum. I got close with the digital device, but — no cigar. I smoked for about 40 years, at one point smoking roughly 1.5 packs a day.

I finally tried to limit my smoking by allowing myself to smoke only after a certain time interval. I started with one every half-hour and eventually got myself to limit myself to one cigarette every 2 hours. Unfortunately, I was never able to get beyond that and ended up in a holding pattern of roughly 1/2 pack a day for the last year of my smoking "career".

One day, my brother - who also holds a law degree - came to me and encouraged me to look into electronic cigarettes. He said that he would feel forever guilty if I ended up with lung cancer or emphysema if he didn't at least make an effort to get me to switch. Knowing him, I knew that he had already done a decent amount of research before mentioning it to

me. He had already asked his doctor what he thought. His doctor said that while it was better for me to quit, at this point he thought that using e-cigarettes was better than continuing to smoke cigarettes. His doctor did say that more research was needed on the long-term consequences of using e-cigarettes.

My own research convinced me that electronic cigarettes were a much less harmful alternative to smoking real cigarettes. I also asked my own physician what he thought and he said "Do it. You have to get off cigarettes."

I decided on a setup, then joined the E-Cigarette Forums (ECF) and asked for other members' opinions. I was encouraged to bypass the beginning "cig-a-like" kit I had selected and to move "up" to a setup with a larger battery. After much discussion there, I took their advice and purchased an "Ego" type kit. Along with the kit, I ordered a tobacco flavored e-juice in two strengths, 12 and 18 mg/l. I did not really enjoy that e-juice, but I was able to determine that the 12 mg/l e-juice was appropriate for me.

I received my e-cigarette kit on September 19, 2013. I have not had a cigarette since then. It was easy. It took no effort. I have not wanted a real cigarette since that date. E-cigarettes work. There is no doubt about that in my mind. E-cigarettes enabled me to instantly quit smoking real cigarettes.

I then ordered a sampler of tobacco-flavored e-juice from one vendor and a sampler of tea, fruit and dessert flavors from another. After trying all of the e-juices in the samplers, I ordered a larger bottle of a tobacco-flavored e-juice and a few larger bottles of tea, fruit and dessert flavored e-juices. In a relatively short period of time, I found that I much preferred the fruit, pastry and dessert flavors over any of the tobacco flavors. I still have that single, larger bottle of tobacco-flavored e-juice and have hardly used any of it. If I knew someone who could use it, I'd give it away.

I was told on the ECF that half the battle was getting the right hardware and that the other half is finding your "all day vape". I believe both statements are true. I don't know that I would have stuck with e-cigarettes if I had to use tobacco-flavored e-juices.

I understand the need to impose some amount of regulation on e-cigarette juices. A list of ingredients printed on each bottle would be helpful and appreciated. On the other hand, preventing vendors from creating flavors would in my opinion be counter-productive. I believe that this technology should be encouraged and not unnecessarily hindered.

As I have no desire to go back to smoking real cigarettes, I make the following requests:

First, please, please do not create and impose a regulatory system so onerous and/or costly that the smaller e-juice vendors cannot survive in the marketplace; leaving this market to "big tobacco" is a mistake.

Second, please do not unnecessarily restrict the kinds of flavors available in the e-juice marketplace. As I noted above, I believe it critical that a smoker trying to quit real cigarettes be able to find an e-juice that he/she really likes.

Finally, please do not unnecessarily hinder the creation of devices. In just the short time I have been an e-cigarette user, devices have substantially evolved into better, more useable and satisfying devices. I have seen the "cig-a-like" devices like "Blu" e-cigarettes. I have not tried them, but from what I've seen and read, I do not believe that they would satisfy me.

Thank you for the opportunity to express my concerns over the proposed regulations. I joined CASAA to keep abreast with relevant news.

Thank you for your time and consideration.

Dave S. Fukuoka
Wailuku, HI

From: Wendy Matsuda <akamaiwendy@gmail.com>
Sent: Tuesday, April 07, 2015 6:18 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

I oppose SB1032. Vapor products contain NO tobacco, often contain NO nicotine, and emit NO smoke, so it is wrong to classify all vapor products as "Tobacco Products" to bring them into the same regulatory framework as traditional tobacco cigarettes. E-cigarettes are proven to be a low-risk replacement for smoking tobacco that has the potential to save tens of thousands of lives in Hawaii alone.

In addition to the increased fees, the 70% tobacco tax will devastate the local e-cigarette and vapor product industry. It will put local businesses at a huge disadvantage compared to other states, which will ruin local companies, kill local jobs, send local money out of state, and bring less money into the state.

Overall, Hawaii smokers will be discouraged from reducing or quitting smoking, causing greater health costs. This bill and all similar bills are total losers for the state.

Thank you for your time and consideration.

Wendy Matsuda

LATE

From: Steven Love <sllove1069@gmail.com>
Sent: Tuesday, April 07, 2015 6:41 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Steven Love

From: Zachary yamauchi <kapoleiboi808@gmail.com>
Sent: Tuesday, April 07, 2015 6:46 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Zachary yamauchi
Kapolei

From: Stephen Maclean <dontuseyoureyes@gmail.com>
Sent: Tuesday, April 07, 2015 6:48 PM
To: FINTestimony
Subject: Oppose SB1032



To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Stephen Maclean
Kapolei

LATE

From: Sherrelle Freitas <rxy1397@gmail.com>
Sent: Wednesday, April 08, 2015 9:05 AM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Sherrelle Freitas
Honolulu

LATE

From: Michelle Johnston <michieKau@yahoo.com>
Sent: Tuesday, April 07, 2015 11:35 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Michelle Johnston
Kailua-Kona, HI United States



From: Galen Nii <lokegirl@hotmail.com>
Sent: Tuesday, April 07, 2015 11:34 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

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Thank you for your time and consideration.

Galen Nii
Kailua-Kona, HI United States

LATE

From: Stan-Lee Nii <lokegirl@hotmail.com>
Sent: Tuesday, April 07, 2015 11:34 PM
To: FINTestimony
Subject: Oppose SB1032

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Thank you for your time and consideration.

Stan-Lee Nii
Kailua-Kona, HI United States

From: Robert Nakama <MauiMania@gmail.com>
Sent: Tuesday, April 07, 2015 11:03 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

Robert Nakama
Kahului

LATE

From: matthew toynton <matttoynton@gmail.com>
Sent: Tuesday, April 07, 2015 10:50 PM
To: FINTestimony
Subject: Oppose SB1032

To: Rep. Sylvia Luke, Chair, Rep. Scott Y. Nishimoto, Vice Chair, and members of the committee

Re: Opposition to SB1032

Hearing: FIN, Wednesday, April 8, 2015 2:00 PM

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Thank you for your time and consideration.

matthew toynton
kailua



LATE

**American Cancer Society
Cancer Action Network**
2370 Nuʻuanu Avenue
Honolulu, Hawaiʻi 96817
808.432.9149
www.acscan.org

House Committee on Finance
Representative Sylvia Luke, Chair
Representative Scott Nishimoto, Vice Chair

SB 1032, SD2, HD1 – RELATING TO CHAPTER 245, HAWAII REVISED STATUTES
Cory Chun, Government Relations Director – Hawaii Pacific
American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in support of SB 1032, SD2, HD1, which redefines tobacco products and potentially increases the fees for tobacco wholesalers and retailers in the State. Currently the fees are unspecified.

The American Cancer Society Cancer Action Network (ACS CAN) is the nation's leading cancer advocacy organization. ACS CAN works with federal, state, and local government bodies to support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

The current fee is \$2.50 for a tobacco wholesaler or distributor and \$20 for tobacco retailers, which are low considering the products that are being sold and distributed. Considering that nature of the products sold, the current fees do not accurately reflect the danger that these products pose to individuals from the sale of these products.

To put these fee increases into perspective, the statutory fees for the sale of fireworks in the State are significantly higher. Section 132D-11, Hawaii Revised Statutes, lists the license fees as \$3,000 for importers, \$2,000 for each wholesaler's site, \$1,000 for each storage site, and \$500 for each retailer's site. In comparison to these fees, the increases proposed by this measure are significantly lower than fees paid for the privilege to sell fireworks. We feel that the increase in fees for tobacco wholesalers and retailers are reasonable when compared to other license fees for hazardous consumer products sold in our State.

Thank you for the opportunity to submit testimony on this matter.

LATE

From: mailinglist@capitol.hawaii.gov
Sent: Wednesday, April 08, 2015 5:16 PM
To: FINTestimony
Cc: ryan.oswald@aol.com
Subject: *Submitted testimony for SB1032 on Apr 8, 2015 14:00PM*

SB1032

Submitted on: 4/8/2015

Testimony for FIN on Apr 8, 2015 14:00PM in Conference Room 308

Submitted By	Organization	Testifier Position	Present at Hearing
Ryan Oswald	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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