

STAND. COM. REP. NO.

1641

Honolulu, Hawaii

April 10, 2015

RE: S.B. No. 1032
S.D. 2
H.D. 2

Honorable Joseph M. Souki
Speaker, House of Representatives
Twenty-Eighth State Legislature
Regular Session of 2015
State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 1032, S.D. 2, H.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO CHAPTER 245, HAWAII REVISED STATUTES,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Expand the definition of "tobacco products" to include products that contain nicotine and are intended for human consumption, but do not contain tobacco;
- (2) Increase, by an unspecified amount, the license fee for cigarette and tobacco product wholesalers and dealers; and
- (3) Increase, by an unspecified amount, the retail tobacco permit fees for retailers.

The University of Hawaii Cancer Center and American Cancer Society Cancer Action Network testified in support of this measure. The Hawaii Food Industry Association, Hawaii Cigar Association, Kauai Cigar Company, and numerous individuals opposed this measure. The Department of Health, Department of Taxation, Tax Foundation of Hawaii, and Coalition for a Tobacco-Free Hawaii commented on this measure.

SB1032 HD2 HSCR FIN HMS 2015-3213

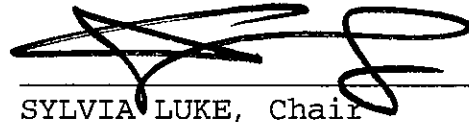


Your Committee has amended this measure by:

- (1) Changing its effective date to July 1, 2030, to facilitate further discussion; and
- (2) Making technical, nonsubstantive amendments for clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1032, S.D. 2, H.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1032, S.D. 2, H.D. 2.

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



SYLVIA LUKE, Chair



