STAND. COM. REP. NO.

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.

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.

SVIVIA LUKE Chair

State of Hawaii House of Representatives The Twenty-eighth Legislature



Record of Votes of the Committee on Finance

Bill/Resolution No.:	Committee Referral:	Date:		-7
SB 1032, SD2, HD1	CPC, FIN		4/8/15	
☐ The committee is reconsidering its previous decision on the measure.				
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold				
Pass short form bill with HD to recommit for future public hearing (recommit)				
FIN Members	Ayes	Ayes (WR)	Nays	Excused
1. LUKE, Sylvia (C)				
2. NISHIMOTO, Scott Y. (VC)				
3. CACHOLA, Romy M.				
4. CULLEN, Ty J.K.				
5. DeCOITE, Lynn				
6. JOHANSON, Aaron Ling				·
7. JORDAN, Jo				
8. KEOHOKALOLE, Jarrett				
9. KOBAYASHI, Bertrand				· ···
10. LOWEN, Nicole E.				
11. ONISHI, Richard H.K.				
12. TOKIOKA, James Kunane				
13. YAMASHITA, Kyle T.				
14. POUHA, Feki				· ·
15. WARD, Gene				
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TOTAL (15)	(3)			(.
The recommendation is: Adop	oted	*		_
If joint re	1 1 -		recommendation.	
communee acronym(s)				
Vice Chair's or designee's signature:				
Distribution: Original (White) - Committee Duplicate (Yellow) - Chief Clerk's Office Duplicate (Pink) - HMSO				