

STAND. COM. REP. NO.

513

Honolulu, Hawaii

February 17, 2017

RE: H.B. No. 1495

H.D. 1

Honorable Joseph M. Souki  
Speaker, House of Representatives  
Twenty-Ninth State Legislature  
Regular Session of 2017  
State of Hawaii

Sir:

Your Committee on Health, to which was referred H.B. No. 1495  
entitled:

"A BILL FOR AN ACT RELATING TO REMOTE SALES OF CIGARETTES AND  
TOBACCO PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to prohibit mail order and  
internet-based cigarette and tobacco product sales that circumvent  
the State's regulatory and tax requirements by prohibiting the  
shipment of tobacco products including electronic cigarettes to  
any person in the State other than a licensed wholesaler, dealer,  
or retailer with a valid tobacco sales permit.

Your Committee received testimony in support of this measure  
from the Department of Health, American Heart Association,  
American Cancer Society Cancer Action Network, Hawaii Public  
Health Institute, and numerous individuals. Your Committee  
received testimony in opposition to this measure from VOLCANO Fine  
Electronic Cigarettes, Retail Merchants of Hawaii, Hawaii Cigar  
Association, Smokeless Hawaii, Hawaii Smokers Alliance, PC Gamerz  
Hawaii, and several individuals. The Department of Taxation,  
Department of the Attorney General, and an individual submitted  
comments.

HB1495 HD1 HSCR HLT HMS 2017-2264



Your Committee has amended this measure by:

- (1) Specifying that the prohibition on shipping to an unlicensed and non-permitted person in the State applies to shipment of cigarettes or tobacco products including electronic smoking devices;
- (2) Clarifying that authorization for shipments to retailers applies specifically to tobacco retailers;
- (3) Clarifying penalties by specifying that each shipment shall be a separate violation and deleting the \$5,000 limit on criminal fines;
- (4) Clarifying the definition of electronic smoking devices that are subject to the prohibition;
- (5) Changing its date to July 1, 2090, to encourage further discussion; and
- (6) Making technical, nonsubstantive changes for the purpose of clarity and consistency.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 1495, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 1495, H.D. 1, and be referred to your Committee on Consumer Protection & Commerce.

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



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DELLA AU BELATTI, Chair



