SB 2654 SD2 HD1

A BILL FOR AN ACT

RELATING TO CHAPTER 245, HAWAII REVISED STATUTES.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

1	PART I
2	SECTION 1. The legislature finds that tobacco use is the
3	single most preventable cause of disease, disability, and death
4	in the United States. Tobacco use continues to be a problem in
5	Hawaii, causing approximately one thousand four hundred deaths
6	per year among adults. An estimated twenty-one thousand
7	children in Hawaii currently under the age of eighteen will
8	ultimately die prematurely from smoking. Tobacco use poses a
9	heavy burden on Hawaii's health care system and economy. Each
10	year, smoking costs approximately \$526,000,000 in direct health
11	care expenditures and \$387,300,000 in lost productivity in the
12	State.
13	The legislature further finds that tobacco products are
14	addictive and inherently dangerous, causing many different types
15	of cancer, heart disease, and other serious illnesses. Hawaii
16	has a substantial interest in reducing the number of individuals
17	of all ages who use tobacco products, and a particular interest

- 1 in protecting adolescents from tobacco dependence and the
- 2 illnesses and premature death associated with tobacco use.
- 3 The legislature additionally finds that electronic smoking
- 4 devices, also known as e-cigarettes, are battery-operated
- 5 products designed to turn highly addictive nicotine, flavor, and
- 6 other chemicals into an aerosol that is inhaled by the user.
- 7 Consumers may choose from varying strengths of e-liquid nicotine
- 8 as well as liquids consisting of different flavors. A 2015
- 9 study of more than fifty-eight million e-cigarettes found that
- 10 ninety-nine per cent contained nicotine, whether or not they
- 11 were labeled as "zero nicotine" or "nicotine-free". The
- 12 legislature is concerned that labeling alone is not an effective
- 13 measure of nicotine content.
- 14 The electronic smoking device industry, including the
- 15 production of e-liquids, is growing rapidly. According to a
- 16 2016 report from the United States Surgeon General, e-cigarette
- 17 use amongst the nation's youth and young adults has become a
- 18 major public health concern. The Surgeon General's report noted
- 19 that e-cigarette use has increased considerably in recent years,
- 20 growing an astounding nine hundred per cent among high school
- 21 students from 2011 to 2015. More than three million middle

- 1 school and high school students were users of e-cigarettes in
- 2 2015. Furthermore, e-cigarettes are now the most commonly used
- 3 tobacco product among youth, surpassing conventional cigarettes
- 4 in 2014. E-cigarette use among youth and young adults is also
- 5 strongly associated with the use of other tobacco products,
- 6 including combustible tobacco products. Toxicologists have also
- 7 warned that e-liquids pose significant risks to public health,
- 8 particularly to children. According to the Surgeon General's
- 9 report, if the contents of refill cartridges or bottles are
- 10 consumed, ingestion of e-liquids containing nicotine can cause
- 11 acute toxicity and possibly death. The Surgeon General's report
- 12 also found that there are numerous policies and practices that
- 13 can be implemented at the state and local levels to address
- 14 electronic smoking device use among youth and young adults,
- 15 including preventing access to e-cigarettes by youth,
- 16 significant increases in tax and price of e-cigarettes, retail
- 17 licensure, and regulation of e-cigarette marketing.
- 18 The legislature finds that the rapid growth of the
- 19 electronic smoking device industry, including retail businesses
- 20 selling electronic smoking devices or e-liquids, necessitates

- 1 further regulations to protect consumers, such as requiring
- 2 retailers of e-liquids to obtain a retail tobacco permit.
- 3 The legislature notes that the federal Food and Drug
- 4 Administration recently finalized a rule that expands its
- 5 regulatory authority to all tobacco products, including
- 6 electronic smoking devices, cigars, and hookah and pipe tobacco.
- 7 However, the legislature also notes that there is currently no
- 8 state tobacco tax attached to e-liquid, even though electronic
- 9 smoking devices are now regulated as tobacco products. The
- 10 legislature finds that states such as Indiana, Pennsylvania, and
- 11 West Virginia tax e-liquids that may or may not contain
- 12 nicotine. Furthermore, tobacco products other than cigarettes
- 13 are currently taxed at a lower rate than cigarettes, even though
- 14 their use carries similar health risks. Research has shown that
- 15 increasing cigarette prices, such as through cigarette taxes,
- 16 tends to reduce the rate of smoking by adult and youth smokers.
- 17 However, the legislature is concerned that as the price of
- 18 cigarettes increases, smokers may purchase less expensive
- 19 tobacco products, such as electronic smoking devices or
- 20 e-liquids.

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1	Fina	lly,	the legislature concludes that there needs to be a
2	tax on e-	liqui	ds and taxing these products as other tobacco
3	products	is th	ne most equitable way to do so. Imposing a tax on
4	e-liquids	will	also encourage users of e-liquids to quit,
5	sustain c	essat	ion, prevent youth initiation, and reduce
6	consumpti	on am	ong those who continue to use them.
7	The	purpo	se of this part is to:
8	(1)	Make	unlawful the shipment of tobacco products to
9		anyc	ne other than a licensee;
10	(2)	Make	unlawful the transport of tobacco products
11		orde	red through remote sale to anyone other than a
12		lice	nsee;
13	(3)	Incl	ude e-liquid within the definition of "tobacco
14		prod	ucts", as used in the cigarette tax and tobacco
15		tax	law, thereby:
16		(A)	Subjecting e-liquid to the excise tax on tobacco
17			products;
18		(B)	Requiring retailers of e-liquid to obtain a
19			retail tobacco permit to sell, possess, keep,
20			acquire, distribute, or transport e-liquid;

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1		.(C)	Prohibiting persons from engaging in the busines
2			of wholesaling or dealing e-liquid without first
3			obtaining a license from the department of
4			taxation; and
5		(D)	Applying other requirements of chapter 245,
6			Hawaii Revised Statutes;
7	(4)	Incr	ease the license fee for persons engaged as a
8		whol	esaler or dealer of cigarettes and tobacco
9		prod	ucts; and
10	(5)	Incr	ease the retail tobacco permit fee for retailers
11		enga	ged in the retail sale of cigarettes and tobacco
12		prod	ucts.
13	SECT	ION 2	. Chapter 245, Hawaii Revised Statutes, is
14	amended b	y add	ing a new section to be appropriately designated
15	and to re	ad as	follows:
16	" <u>§24</u>	5	Unlawful shipment of tobacco products; penalty;
17	reports;	liabi	lity for unpaid taxes. (a) A person or entity
18	commits t	he of	fense of unlawful shipment of tobacco products if
19	the perso	n or	entity is engaged in the business of selling
20	tobacco p	roduc	ts and ships or causes to be shipped, any tobacco

1	products ordered or purchased through a remote sale, to a person		
2	or entity	in the State that is not:	
3	(1)	A licensee under this chapter; or	
4	(2)	A person or entity transporting tobacco products, as	
5		defined in section 245-1, under federal internal	
6		revenue bond or customs control that are non-tax-paid	
7		under title 26 of the United States Code, or an	
8		operator of a customs bonded warehouse pursuant to	
9		title 19 United States Code section 1311 or 1555.	
10	(b)	This section shall not apply to the shipment of	
11	tobacco p	roducts if any of the following conditions are met:	
12	(1)	The tobacco products are exempt from taxes as provided	
13		by section 245-3(b);	
14	(2)	The person or entity engaged in the business of	
15		selling, advertising, or offering tobacco products for	
16		sale and transfer or shipment includes on the outside	
17		of the shipping container an externally visible and	
18		easily legible notice located on the same side of the	
19		shipping container as the address to which the	
20		shipping container is delivered stating as follows:	

1		"HAWAII LAW PROHIBITS THE SALE OF CIGARETTES OR
2		TOBACCO PRODUCTS TO INDIVIDUALS UNDER TWENTY-ONE YEARS
3		OF AGE AND REQUIRES THE PAYMENT OF ALL APPLICABLE
4		TAXES. YOU ARE LEGALLY RESPONSIBLE FOR ALL APPLICABLE
5		UNPAID TAXES ON THESE CIGARETTES AND TOBACCO
6		PRODUCTS."; or
7	(3)	All applicable Hawaii taxes on the tobacco products
8		are paid in accordance with the requirements of this
9		section.
10	<u>(c)</u>	Any person or entity who knowingly violates this
11	section s	hall be guilty of a misdemeanor. Each shipment that
12	violates	or fails to comply with this section shall be a
13	separate	and distinct violation.
14	(d)	For the purposes of this section:
15	"Int	ernet sale" means any internet website or
16	electroni	cally networked means that solicits or sells cigarettes
17	or tobacc	o products, including electronic smoking devices,
18	regardles	s of whether cash is actually paid for the product.
19	"Lic	ensee" means a person or entity that is on a list of
20	authorize	d licensees published by the department.

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1	"Mail order" means any means of soliciting cigarettes or
2	tobacco products, including electronic smoking devices, that are
3	set forth in a catalog or other printed solicitation of a
4	business that is generally available to the public.
5	"Remote sale" means a sale that is conducted by mail order,
6	telephone, computer, internet sale, or any means other than a
7	physical storefront.
8	(e) Notwithstanding the existence of other remedies at
9	law, any person or entity that purchases, uses, controls, or
10	possesses any tobacco products for which the applicable taxes
11	imposed under title 14, Hawaii Revised Statutes, have not been
12	paid, shall be liable for the applicable taxes, plus any penalty
13	and interest as provided for by law.
14	(f) In addition to, or in lieu of, any other civil or
15	criminal remedy provided by law, a person or entity who has
16	violated this section is subject to a civil penalty of up to
17	\$5,000 for each violation. The attorney general may initiate a
18	civil action seeking recovery of the penalties."
19	SECTION 3. Section 245-1, Hawaii Revised Statutes, is
20	amended as follows:

- 1 1. By adding a new definition to be appropriately inserted
- 2 and to read:
- 3 ""E-liquid" means any liquid or like substance which may or
- 4 may not contain nicotine that is designed or intended to be used
- 5 in an electronic smoking device, as defined in section 328J-1,
- 6 whether or not packaged in a cartridge or other container. E-
- 7 liquid shall not include prescription drugs; medical cannabis or
- 8 manufactured cannabis products; or medical devices used to
- 9 inhale or ingest prescription drugs, including devices sold at a
- 10 licensed medical cannabis dispensary."
- 11 2. By amending the definition of "tobacco products" to
- **12** read:
- ""Tobacco products" means tobacco in any form, other than
- 14 cigarettes or little cigars, that is prepared or intended for
- 15 consumption or for personal use by humans, including large
- 16 cigars and any substitutes thereof other than cigarettes that
- 17 bear the semblance thereof, snuff, chewing or smokeless tobacco,
- 18 [and] smoking or pipe tobacco[-], and e-liquid."
- 19 SECTION 4. Section 245-2, Hawaii Revised Statutes, is
- 20 amended by amending subsection (b) to read as follows:

- 1 "(b) The license shall be issued by the department upon
- 2 application therefor, in [such] a form and manner as shall be
- 3 required by rule of the department, and the payment of a fee of
- 4 [\$2.50] \$250, and shall be renewable annually on July 1 for the
- 5 twelve months ending the succeeding June 30."
- 6 SECTION 5. Section 245-2.5, Hawaii Revised Statutes, is
- 7 amended by amending subsection (c) to read as follows:
- 8 "(c) The retail tobacco permit shall be issued by the
- 9 department upon application by the retailer in the form and
- 10 manner prescribed by the department, and the payment of a fee of
- 11 [\$20.] \$50. Permits shall be valid for one year, from December
- 12 1 to November 30, and renewable annually. Whenever a retail
- 13 tobacco permit is defaced, destroyed, or lost, or the permittee
- 14 relocates the permittee's business, the department may issue a
- 15 duplicate retail tobacco permit to the permittee for a fee of \$5
- 16 per copy."
- 17 PART II
- 18 SECTION 6. The purpose of this part is to reduce tobacco
- 19 and cigarette consumption in Hawaii by increasing the costs to
- 20 sell and purchase tobacco and cigarette products.

1	SECTION 7. Section 245-3, Hawaii Revised Statutes, is	
2	amended by amending subsection (a) to read as follows:	
3	"(a) Every wholesaler or dealer, in addition to any other	r
4	taxes provided by law, shall pay for the privilege of conducti	ng
5	business and other activities in the State:	
6	(1) An excise tax equal to 5.00 cents for each cigarette	:
7	sold, used, or possessed by a wholesaler or dealer	
8	after June 30, 1998, whether or not sold at wholesal	e,
9	or if not sold then at the same rate upon the use by	,
10	the wholesaler or dealer;	
11	(2) An excise tax equal to 6.00 cents for each cigarette	:
12	sold, used, or possessed by a wholesaler or dealer	
13	after September 30, 2002, whether or not sold at	
14	wholesale, or if not sold then at the same rate upon	
15	the use by the wholesaler or dealer;	
16	(3) An excise tax equal to 6.50 cents for each cigarette	
17	sold, used, or possessed by a wholesaler or dealer	
18	after June 30, 2003, whether or not sold at wholesal	e,
19	or if not sold then at the same rate upon the use by	

the wholesaler or dealer;

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1	(4)	An excise tax equal to 7.00 cents for each cigarette
2		sold, used, or possessed by a wholesaler or dealer
3		after June 30, 2004, whether or not sold at wholesale,
4		or if not sold then at the same rate upon the use by
5		the wholesaler or dealer;
6	(5)	An excise tax equal to 8.00 cents for each cigarette
7		sold, used, or possessed by a wholesaler or dealer on
8		and after September 30, 2006, whether or not sold at
9		wholesale, or if not sold then at the same rate upon
10		the use by the wholesaler or dealer;
11	(6)	An excise tax equal to 9.00 cents for each cigarette
12		sold, used, or possessed by a wholesaler or dealer on
13		and after September 30, 2007, whether or not sold at
14		wholesale, or if not sold then at the same rate upon
15		the use by the wholesaler or dealer;
16	(7)	An excise tax equal to 10.00 cents for each cigarette
17		sold, used, or possessed by a wholesaler or dealer on
18		and after September 30, 2008, whether or not sold at

wholesale, or if not sold then at the same rate upon

the use by the wholesaler or dealer;

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1	(8)	An excise tax equal to 13.00 cents for each cigarette
2		sold, used, or possessed by a wholesaler or dealer on
3		and after July 1, 2009, whether or not sold at
4		wholesale, or if not sold then at the same rate upon
5		the use by the wholesaler or dealer;
6	(9)	An excise tax equal to 11.00 cents for each little
7		cigar sold, used, or possessed by a wholesaler or
8		dealer on and after October 1, 2009, whether or not
9		sold at wholesale, or if not sold then at the same
10		rate upon the use by the wholesaler or dealer;
11	(10)	An excise tax equal to 15.00 cents for each cigarette
12		or little cigar sold, used, or possessed by a
13		wholesaler or dealer on and after July 1, 2010,
14		whether or not sold at wholesale, or if not sold then
15		at the same rate upon the use by the wholesaler or
16		dealer;
17	(11)	An excise tax equal to 16.00 cents for each cigarette
18		or little cigar sold, used, or possessed by a
19		wholesaler or dealer on and after July 1, 2011,
20		whether or not sold at wholesale, or if not sold then

1		at the same rate upon the use by the wholesaler or
2		dealer;
3	(12)	An excise tax equal to cents for each cigarette or
4		little cigar sold, used, or possessed by a wholesaler
5		or dealer on and after November 1, 2018, whether or
6		not sold at wholesale, or if not sold then at the same
7		rate upon the use by the wholesaler or dealer;
8	(13)	An excise tax equal to seventy per cent of the
9		wholesale price of each article or item of tobacco
10		products, other than large cigars, sold by the
11		wholesaler or dealer on and after September 30, 2009,
12		whether or not sold at wholesale, or if not sold then
13		at the same rate upon the use by the wholesaler or
14		dealer; [and
15	(13)]	(14) An excise tax equal to per cent of the
16		wholesale price of each article or item of tobacco
17		products, other than large cigars, sold by the
18		wholesaler or dealer on and after July 1, 2018,
19		whether or not sold at wholesale, or if not sold then
20		at the same rate upon the use by the wholesaler or
21		dealer; and

1	(15) An excise tax equal to fifty per cent of the wholesale
2	price of each large cigar of any length, sold, used,
3	or possessed by a wholesaler or dealer on and after
4	September 30, 2009, whether or not sold at wholesale,
5	or if not sold then at the same rate upon the use by
6	the wholesaler or dealer.
7	Where the tax imposed has been paid on cigarettes, little
8	cigars, or tobacco products that thereafter become the subject
9	of a casualty loss deduction allowable under chapter 235, the
10	tax paid shall be refunded or credited to the account of the
11	wholesaler or dealer. The tax shall be applied to cigarettes
12	through the use of stamps."
13	PART III
14	SECTION 8. Statutory material to be repealed is bracketed
15	and stricken. New statutory material is underscored.
16	SECTION 9. This Act shall take effect on July 1, 3000.

Report Title:

Unlawful Shipment and Transport of Tobacco Products; Electronic Smoking Devices; E-liquid; Tax; Permit; License; Excise Tax

Description:

Prohibits the shipment of tobacco products, and the transport of tobacco products ordered or purchased through a remote sale, to anyone other than a licensee. Makes all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid. Increases the license fee for wholesalers or dealers and the retail tobacco permit fee. Amends the taxes on cigarettes and tobacco products. Increases the excise tax for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer. Increases the excise tax on the wholesale price of each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer. (SB2654 HD1)

The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.

SB2654 HD1 HMS 2018-2951



P. O. Box 3378 Honolulu, HI 96801-3378 doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of S.B. 2654, SD2, HD1 RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

REPRESENTATIVE ROY M. TAKUMI, CHAIR HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE

Hearing Date: March 20, 2018 Room Number: 329

- 1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation
- 2 (DOTAX) for fiscal implications of implementation and to the Department of the Attorney
- 3 General (AG) for fiscal implications for enforcement.
- 4 **Department Testimony:** The DOH supports Senate Bill 2654, Senate Draft 2, House Draft 1
- 5 (S.B. 2654, SD2, HD1) as a measure to protect the public's health. The bill makes unlawful the
- 6 shipping of tobacco products and prohibits the remote sale and distribution of cigarettes and
- 7 tobacco products, including electronic smoking devices (ESD), to consumers except for licensed
- 8 wholesalers or dealers. It provides for the inclusion of e-liquid in the definition of tobacco
- 9 products, the imposition of an excise tax, the requirement for licensing and permitting fees, and
- increase in licensing and permitting fees. It increases the excise taxes on cigarettes and tobacco
- products by unspecified amounts. The DOH defers to DOTAX for implementation, and to the
- 12 AG regarding the enforcement of the shipping regulations.

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Despite tremendous progress in reducing smoking, tobacco use is still the leading cause of preventable illness and death in the United States and in Hawaii.¹ It is crucial that the

progress made in reducing cigarette smoking among youth and young adults not be

16 compromised by the initiation of e-cigarettes. In 2017, 8.1% of high students were regular

¹ Centers for Disease Control and Prevention. *Best Practices for Comprehensive Tobacco Control Programs, 2014.* Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2014

1 cigarette users, but when it came to e-cigarettes, an alarming 25% were regular users, and 42%

had tried them.² Several studies have shown that youth who use e-cigarettes are more likely to

3 use regular cigarettes.^{3,4,5}

The DOH supports the restriction of shipping tobacco products to anyone other than a licensed wholesaler/dealer, that is engaged in the business of selling tobacco products and is on the DOTAX authorized list. This will strengthen protections for youth and young adults.

Hawaii is among five states (including California, Oregon, New Jersey, and Maine) having the strongest age laws in the country that prohibit the sales of tobacco products to any person under the age of twenty-one years. Such legislation specifically addresses face-to-face transactions and is meant to prevent youth access and initiation of tobacco use. However, the acceleration of online tobacco product sales has created a dangerous loophole, undermining efforts to protect public health, by providing an appealing option for underage smokers. In the current unregulated online market, youth easily, and often, circumvent the age verification process for purchasing tobacco. In some transactions age verification simply requires the consumer to acknowledge that a person is over the legal age to purchase by clicking the word, "agree," to advance the transaction.

The Internet Tobacco Vendors Study (ITV), supported by the National Cancer Institute and the United States Food and Drug Administration (USFDA) Center for Tobacco Products, has monitored the online tobacco industry for over fifteen years, to assess sales practices and public health impacts. In 2016, its study found that minors were successful in buying ESDs online 93% of the time despite age restrictions and another study found that ESDs were often shipped from internet vendors without instructions or health warnings. Due to the easy access for minors

² Hawaii School Health Survey/ Youth Risk Behavior Survey (2017)

³ Watkins SL, Glantz, SA. Association of Noncigarette Tobacco Products Use with Future Cigarette Smoking Among Youth in the Population Assessment of Tobacco and Health (PATH) Study, 2013-2015. *JAMA Pediatric*. Published online January 2, 2018.

⁴ Barrington-Trimis, JL, Urman, R, Berhane, K, Unger, JB, Cruz, TB, Pentz, MA, Samet, JM, Leventhal, AM, McConnell, R. E-Cigarettes and Future Cigarette Use. *Pediatrics*.2016-0379.

⁵ Wills, TA, Knight, R, Williams, RJ, Pagano, I, Sargent JD. Risk Factors for Exclusive E-Cigarette Use and Dual E-Cigarette Use and Tobacco Use in Adolescents. *Pediatrics*. 2014-0760.

through online marketing, researchers recommend more vigorous policies to prohibit sales to minors.^{6,7}

Unregulated online access provides a way for the purchaser and tobacco industry to avoid federal and state taxes, resulting in loss of revenue and evasion of an important public health tool for prevention. Youth are price sensitive and online purchasing options are a less expensive method for acquiring tobacco products including ESDs. Hawaii has seen ESD use by youth and young adults increase at an alarming rate. ESDs are now the most commonly used tobacco product among youth in the nation, and in Hawaii. The electronic cigarette industry is growing rapidly, with retail and online sales of electronic smoking devices projected to reach \$10,000,000,000 in 2017. The pricing, marketing, and variety of youth-friendly flavors are contributing to the increased use of ESDs. 14

The DOH supports the proposed amendment in the measure to require wholesalers and retailers of e-liquids to obtain the applicable license or permit. Currently, all that is required of these vendors is a General Excise License. A statewide survey conducted by the University of Hawaii Cancer Center identified more than 100 e-cigarette establishments (vape shops) as separate from tobacco retail outlets. However, this cannot be considered an accurate assessment, since no specific database exists from the DOTAX regarding the number of vendors. Licensure and retail permitting would bring e-liquid vendors in alignment with the traditional tobacco

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⁶ Williams RS, Derrick J, Ribisl KM. Electronic Cigarette Sales to Minors via the Internet. *JAMA Pediatric*. 2015;169(3): e1563. doi:10.1001/jamapediatrics.2015.63.

⁷ Kong AY, Derrick JC, Abrantes AS, Williams RS. What is included with your online e-cigarette order? An analysis of e-cigarette shipping, product and packaging features. Tobacco Control. [Epub ahead of print] June 29, 2016. doi:10.1136/tobaccocontrol-2016-053061.

⁸ The National Association for Convenience and Fuel Retailing: http://wwww.nacsonline.com/Advocacy/Issues//Tobacco/Pages/RemoteSales of Tobacco.aspx

⁹ Hawaii State Department of Health, 2016-2020 Tobacco Use Prevention and Control in Hawaii, Five-Year Strategic Plan, p.25.

¹⁰ U.S. Centers for Disease Control and Prevention (CDC), "Tobacco Use Among Middle and High School Students — United States, 2011-2015," Morbidity and Mortality Weekly Report (MMWR) 65(14):361-367, April 14, 2016,

http://www.cdc.gov/mmwr/volumes/65/wr/pdfs/mm6514a1.pdf

11 Hawaii State Department of Health, Youth Risk Behavior Survey (2015)

¹² Herzog B, Gerberi J. *E-Cigs revolutionizing the tobacco industry, 2013.* http://www.smallcapfinancialwire.com/wp-content/uploads2013/11/E-Cigs-Rovolutionizing-the-Tobacco-Industry-Interactive-Model.pdf

¹³ Craver, R. (September 15, 2013). Analyst projection: *E-cigs will overtake traditional tobacco revenue at Reynolds in 2021. Winston-Salem Journal*. http://www.journalnow.com/business/business_news/local/analyst-projection-e-cigs-will-overtake-traditional-tobacco-revenue-at/article_948674ca-1ca9-11e3-a0ae-0019bb30f31a.html

¹⁴ ibid

- 1 retailers and would provide accurate data for compliance surveillance and working with the
- 2 vendors to educate and enforce current tobacco laws.

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- The proposed increases in licensure and permitting fees are long overdue. They have remained unchanged since 1995, despite high tobacco taxes and ever-increasing tobacco industry expenditures in marketing and advertising. Tobacco licensing is an effective tool for limiting the negative public health consequences of tobacco use by ensuring that wholesalers and retailers comply with responsible sales practices. The proposed licensing would apply to those who sell e-liquids.
- The DOH supports S.B. 2654, SD2, HD1 as a multifaceted public health measure to help prevent access to e-liquid, e-cigarettes, cigarettes and tobacco products among youth and young adults and to encourage users to quit.
- Thank you for the opportunity to testify.

GOVERNOR DOUGLAS S. CHIN

DAVID Y. IGE



STATE OF HAWAII **DEPARTMENT OF TAXATION**

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To: The Honorable Roy M. Takumi, Chair

and Members of the House Committee on Commerce & Consumer Protection

Date: Tuesday, March 20, 2018

Time: 2:00 P.M.

Place: Conference Room 329, State Capitol

From: Linda Chu Takayama, Director

Department of Taxation

Re: S.B. 2654, S.D. 2, H.D. 1, Relating to Chapter 245, Hawaii Revised Statutes

The Department of Taxation (Department) offers the following comments on S.B. 2654, S.D. 2, H.D. 1, for the Committee's consideration.

S.B. 2654, S.D. 2, H.D. 1, makes unlawful the transport of tobacco products ordered through remote sale to any address other than that of a tobacco wholesaler or dealer. S.B. 2654, S.D. 2, H.D. 1, also expands the tax on tobacco products to include e-liquid used in electronic smoking devices. Under this bill, wholesalers and dealers of e-liquid would be subject to a tax of an unspecified percentage of the wholesale price of the e-liquid, and wholesalers, dealers and retailers of e-liquid would be required to secure licenses and retail permits annually. S.B. 2654, S.D. 2, H.D. 1, also increases the annual fee for a tobacco license from \$2.50 per year to \$250 per year, and the annual fee for a tobacco retail permit from \$20 per location to \$50 per location. Lastly, this measure amends the tax rate on cigarettes and little cigars to an unspecified amount per cigarette or little cigar on or after November, 2018, and amends the rate on tobacco products other than large cigars to an unspecified percentage of their wholesale price on or after July 1, 2018. The bill has a defective effective date of July 1, 3000.

The Department notes that it is able to administer the changes in this measure and defers to the Department of the Attorney General on Section 2 of this measure.

Thank you for the opportunity to provide comments.

Testimony:

Date: March 19, 2018

To: Rep. Roy M. Takumi, Chair

Rep. Linda Ichiyama, Vice Chair

Members of the House Committee on Consumer Protection and Commerce

Re: Strong Support of SB2654, SD2, HD1 Relating to Chapter 245, Hawaii Revised Statutes

Hrg: March 20, 2018 at 2:00 PM at Capitol Conference Room 329

I <u>strongly support</u> SB2654, SD2, HD1, which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

I support this bill <u>because of our findings from research with Hawaii adolescents and adults</u> conducted over the past 4 years. These studies have shown that e-cigarette use is quite prevalent among Hawaii middle and high school students; in recent years over 40% of high school students have used e-cigarettes. Even at younger ages, the prevalence among middle school students can be 15-20% of the school population.

In addition to showing that e-cigarette use is prevalent among Hawaii school students, our studies have shown that e-cigarette use is linked to several adverse outcomes. Notably, <u>using e-cigarettes is related to initiation of cigarette smoking among previous nonsmokers</u>, hence is contributing to adverse outcomes. Our findings from Hawaii have been reported in national and international scientific journals such as JAMA Pediatrics and have been confirmed in several different US sites as well as in Britain, Canada, Mexico, and Finland.

Our research has also shown that e-cigarette use is related to a <u>higher likelihood of symptoms of respiratory disease (asthma and COPD)</u> among Hawaii adolescents and adults. This has recently been reported in the scientific journal Preventive Medicine; our findings on asthma have now been confirmed in two Hawaii studies and two mainland studies. Recent studies have also reported that e-cigarette use is related to <u>higher likelihood of symptoms of cardiovascular disease</u> including chest pain and myocardial infarction (PLoS ONE 2017, Tingting Yao, first author and SRNT 2018, Talal Alzahrani, first author). Thus there is evidence that e-cigarette use may be linked to adverse health consequences as well as adverse behavioral consequences.

I must note that previous testimony to the Senate Committee includes several assertions that are counter to scientific evidence. For example the testimony February 7th maintained that ecigarettes emit no smoke. This is counter to a number of laboratory studies showing that ecigarette vapor contains high levels of ultrafine particles, the same toxic agent linked to disease risk from air pollution. This testimony also cites a sentence from a 2015 report by Public Health England claiming that e-cigarettes are "95% safer than cigarettes." This conclusion has been widely criticized because it was not based on scientific evidence but rather on the opinion of a few people, who admitted there was no scientific evidence for it. The assertion is counter to the recent conclusions of comprehensive reports by the US Surgeon General (published in 2016) and the US National Academy of Sciences (published in 2018) as well as scientific reviews recently

published in American Journal of Physiology: Lung, Cell, and Molecular Physiology (Lauren Chun, first author) and Current Allergy and Asthma Reports (Ilona Jaspers, corresponding author). Both papers summarize evidence from laboratory studies showing e-cigarette vapor linked to adverse pulmonary consequences at the cellular and immunological level. Also, a recent paper in Pediatrics (Mark Rubinstein, first author) reported levels of several toxic volatile organic chemicals that are carcinogenic are elevated in the urine of adolescent e-cigarette users.

The Public Health England report has been misquoted as saying that vapor products are shown to be 95% less toxic than cigarettes. In fact the 2018 update report has abandoned the original assertion and now simply states that saying this is "a good way to communicate" about the risk of e-cigarettes before going on to admit "this does not mean that e-cigarettes are safe" (p. 20). Another misleading assertion is that a large number of smokers are reducing their risk by completely substituting e-cigarettes for combustible cigarettes. In fact, papers in the February 2018 issue of American Journal of Preventive Medicine clearly show that use of e-cigarettes inhibits smoking cessation (Margarete Kulik, first author) and that the great majority of cigarette smokers do not switch to e-cigarettes but remain dual users (Gabriella Anic, first author), conclusions supported by a number of other studies documented in the 2018 issue of the Annual Review of Public Health (Stanton Glantz, first author). Finally, testimony has used the faulty logic often used to justify e-cigarettes by noting that CDC reports show youth use of tobacco products is currently at a low level. This is true but the decline in US youth tobacco use began in 1998, 10 years before e-cigarettes were marketed in the US, and thus cannot logically be linked to e-cigarette use. Rather the decline has been linked to regulations that increase the price and decrease the availability of cigarettes, the same approach proposed for this legislation.

We have observed that e-cigarettes are aggressively marketed to Hawaii youth in television, print media, radio, and point-of-sale advertising venues. Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Because of the adverse consequences known to be related to e-cigarette use, I urge the legislature to regulate and tax e-cigarettes the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs. This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawaii and work with these merchants to educate them and enforce current tobacco laws.

I strongly support SB2654, SD2, HD1 and ask you to pass this.

Yours sincerely,

Thomas A. Wills, Ph.D. Director, Cancer Prevention in the Pacific Program University of Hawaii Cancer Center



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American Heart Association testimony in SUPPORT of SB 2654, SD2, HD1 Relating to Chapter 245, Hawaii Revised Statutes

The American Heart Association <u>supports</u> SB 2654, SD2, HD1 which makes unlawful shipment of tobacco products to anyone other than a licensee, includes e-liquid within the definition of "tobacco products," as used in the cigarette tax and tobacco tax law, and increases the license fee for wholesalers or dealers and the retail tobacco permit fee. The AHA also recommends that a significant portion of the increased revenue from the addition of e-liquid to the state's tobacco tax be earmarked to support State-funded tobacco prevention, education and cessation programs, which the Department of Health recently reported have saved the state \$1 billion over the last 20 years.

While Federal law already prohibits the delivery and shipment of cigarettes to individuals, adding a state restriction on the direct delivery and shipment of electronic smoking devices to consumers would help to close the online sales loophole of those products and help to protect Hawaii's youth from unscrupulous marketers of those products.

Internet sales of tobacco products and e-cigarettes are a significant public health concern because they evade state taxes and significantly undermine tobacco control efforts. In Hawaii, it is currently illegal to sell tobacco products, including e-cigarettes, to those under the age of 21. Hawaii's age to 21 law plays a critical role in preventing youth initiation and addiction to tobacco products, yet internet sellers can circumvent this restriction by providing easy access to these products.

E-cigarettes are now the most popularly used tobacco product among Hawaii's youth. According to recent Department of Health data, almost half of Hawaii's youths have tried e-cigarettes, and 25 percent are now regular users. Those levels mirror youth cigarette use at its peak in Hawaii. This is concerning because e-cigarettes not only often contain nicotine and serve as a gateway to traditional cigarette use, but recent studies also indicate that e-cigarette aerosol (whether or not it contains nicotine) produces fine particulate matter that leads to similar cardiovascular and respiratory risks as traditional cigarettes.

By adding e-liquid within the definition of the state's "tobacco products" it would apply the tobacco tax to those products. This would have the greatest impact on reducing smoking rates among the lower income and youth markets, which are more price sensitive, and which are the most highly targeted by tobacco industry marketing and advertising. Those groups also suffer the most from tobacco product use and will, consequently, benefit the most from any effective new measures to reduce tobacco use.

Their health problems caused by tobacco use also disproportionally affect Medicaid costs to the state.

The AHA also supports the Part 2 section of the bill added in HD1. A one-time sizeable cigarette tax increase would have a greater impact on reducing smoking rates, especially on the lower









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income and youth markets, which are more price sensitive, and which are the most highly targeted by tobacco industry marketing and advertising.

Because smoking levels are highest among people with low incomes, the cigarette companies will try to argue that cigarette tax increases are regressive taxes that fall disproportionately hard on lower-income families and communities. But this argument turns reality upside down. These are the same companies that have been preying on low-income and poor communities for decades. The cigarette companies have no problem with levying new charges on low-income smokers when it increased their own profits. They only oppose the new charges when someone else (like a state government) gets the new revenues, instead. In fact, when the federal government implemented a new increase on cigarette taxes the cigarette companies wasted no time immediately after the law passed hiking the prices on their products to profiteer on the increase during the interim period between passage of the law and its implementation.

The fact that smoking rates are highest among lower-income groups means that lower-income families and communities currently suffer the most from smoking and will, consequently, benefit the most from any effective new measures to reduce smoking, including increased state cigarette taxes. Their health problems caused by tobacco use also disproportionally affect Medicaid costs to the state.

Smokers who do not reduce their smoking because of a cigarette tax increase will also still benefit economically, along with every other state taxpayer. In Hawaii alone, tobacco use claims 1,400 lives each year and creates \$526 million in annual health care costs directly caused by smoking (\$141.7 million of that is covered by the state Medicaid program). Hawaii residents' state & federal tax burden from smoking-caused government expenditures is \$836 per household. Hawaii's estimated tobacco tax and license revenue, estimated to be almost \$138.8 million does not come close to offsetting the losses to the state caused by tobacco use. Smoking declines caused by state cigarette tax increases directly reduce these smoking-caused economic burdens for all taxpayers, and Hawaii businesses which bear the brunt of employee healthcare costs in our state.

Those who stop smoking in response to cigarette tax increases will greatly improve their own health, which could also significantly reduce their healthcare costs. Because of their higher rate of illness and disability, smokers have substantially higher annual and lifetime healthcare costs than nonsmokers or former smokers (despite living shorter lives).

Those who quit smoking as a result of a tax increase would also then have additional money to spend on taxable products that don't result in over a \$500 million in healthcare costs to the state. The money doesn't go up in smoke; instead it will likely be spent on more productive things that can benefit the smokers' families and our state.

Hawaii has made great strides in reducing tobacco use, but despite these advances, tobacco use remains the leading cause of preventable death in our state and challenges to tobacco control still exist. Hawaii's current adult smoking prevalence (13%) remains higher than the national Healthy People 2020 target of 12%. Moreover, our low smoking rates can conceal the fact that





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smoking continues to disproportionately affect populations and community groups by race and ethnicity, income and education, mental health and substance abuse, and lesbian, gay, bisexual, and transgender (LGBT) orientation.

In Hawaii alone, tobacco use claims 1,400 lives each year and creates \$526 million in annual health care costs (\$141.7 million of that is covered by the state Medicaid program). Hawaii residents' state & federal tax burden from tobacco-caused government expenditures is \$836 per household. Hawaii's estimated tobacco tax and

license revenue, estimated to be almost \$138.8 million does not come close to offsetting the losses to the state caused by tobacco use. Smoking declines caused by state taxes directly reduce these smoking-caused economic burdens for all taxpayers, and Hawaii businesses which bear the brunt of employee healthcare costs in our state.

The tobacco industry spends an estimated \$25.5 million each year marketing its products in Hawaii. Hawaii's \$5.3 million investment in tobacco prevention, control and cessation programs pale in comparison, and fall well short of the Centers for Disease Control's (CDC) best practice recommendation of a \$13.7 million annual investment. Allocating revenue generated from taxing both e-liquid and cigarettes to community prevention, education and cessation programs would help to increase the desired impact of this legislation by further reducing the use of these products by our youth and the state's most health vulnerable populations.

The American Heart Association urges you to correct the loophole in our state's age restriction, taxation, and public health laws. It is imperative to continue to curtail tobacco use in any form, especially among our youth, if we are to control our state's healthcare costs and keep its Pre-Paid Healthcare law sustainable.

Please support SB2654, SD2, HD1.

Respectfully submitted, Donald B. Weismon

Donald B. Weisman

Hawaii Government Relations/Communications Director









Tuesday, March 20, 2018 at 2:00 pm Conference Room 329

House Committee on Consumer Protection & Commerce

To: Representative Roy Takumi, Chair

Representative Linda Ichiyama, Vice Chair

From: Bryan Mih, MD, MPH, FAAP

Medical Director, Kapi'olani Smokefree Families

Board Certified. Pediatrics

Certified Tobacco Treatment Specialist

Executive Board Member, American Academy of Pediatrics' Section on Tobacco

Control

Re: Testimony in Support of SB 2654 SD 2, HD1 -- Relating to Chapter 245,

Hawai'i Revised Statutes

My name is Dr. Bryan Mih and I am Medical Director of Kapi'olani Smokefree Families. the smoking cessation program at Kapi'olani Medical Center for Women & Children. Kapi'olani Medical Center for Women & Children is Hawai'i's only maternity, newborn and pediatric specialty hospital. It is well recognized as Hawaii's leader in the care of women, infants and children. With 243 beds, the not-for-profit hospital delivers more than 6,000 babies a year, and is also a medical teaching and research facility. Specialty services for patients throughout Hawai'i and the Pacific region include intensive care for infants and children, 24-hour emergency pediatric and adult care, critical care air transport and high-risk perinatal care. Over 1,600 employees and more than 650 physicians provide specialty care at Kapi'olani. The hospital is home to the Kapi'olani Women's Center and the Women's Cancer Center, and offers numerous community programs and services, such as specialty pediatric clinics and the Sex Abuse Treatment Center. Kapi'olani is an affiliate of Hawai'i Pacific Health, one of the state's largest health care providers and a not-for-profit health care system with over 70 locations statewide including medical centers, clinics, physicians and other caregivers serving Hawai'i and the Pacific Region with high quality, compassionate care. In addition to Kapi'olani, Hawai'i Pacific Health includes Pali Momi Medical Center, Straub Medical Center and Wilcox Medical Center.

I write in strong support of SB 2654 SD 2, HD1 which makes unlawful the shipment of tobacco products to anyone other than a licensee; includes e-liquid within the definition of "tobacco products," as used in the cigarette tax and tobacco tax law, thereby making

all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid as well; and increases the license fee for wholesalers or dealers and the retail tobacco permit fee.

This measure will help to ensure that any consumer who wishes to purchase tobacco products must first present valid identification to verify that they are of appropriate age. Electronic smoking devices (ESDs) have surpassed cigarettes in popularity amongst teens. Ordering ESDs and associated products online is one easy way for underage consumers to circumvent our State's age-based regulation of tobacco. Prohibiting the remote sale and shipment of cigarettes, tobacco products, and ESDs, will improve the enforceability of our Tobacco age laws and ultimately help fewer teens to form dependence on tobacco and electronic smoking products.

There is currently no State tobacco tax attached to e-liquid. Tobacco products other than cigarettes are currently taxed at a lower rate than cigarettes, even though their use carries similar health risks. Increasing taxes on tobacco products and tightening up the prevention of access to e-cigarettes by youth are effective ways to reduce electronic smoking device use among youth and young adults.

Thank you for your consideration of this testimony in support of SB 2654 SD 2, HD1.



March 18, 2018

To: House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair

Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

Re: Strong Support for SB2654 SD2 HD1

The Hawaii Public Health Association is a group of over 600 community members, public health professionals and organizations statewide dedicated to improving public health. HPHA also serves as a voice for public health professionals and as a repository for information about public health in the Pacific.

HPHA strongly supports SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawaii have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable e-cigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling ecigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

Thank you for the opportunity to provide testimony on important health issues affecting people in Hawai'i.

Respectfully submitted,

Holly Kessler, Executive Director Hawai'i Public Health Association

SB-2654-HD-1

Submitted on: 3/18/2018 2:13:57 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
PHC HNL	Pioneering Healthier Communities of Honolulu	Support	No

Comments:

RE: SB 2634

The Pioneering Healthier Communities Initiative brings together local, diverse leaders to discuss and support strategies, policies and programs that we can accomplish together to build healthier communities in our island home. The members of PHC are involved in helping children and families to become healthier through schools, afterschool programs, healthcare and more.

E-cigarette use, especially among today's youth, has skyrocketed. Drive by any local Hawaii middle or high school before or after school and you will witness the large number of youth using these devices. But e-cigarettes are far from healthy. They contain chemicals, such as nicotine and diacetyl, that are known to have serious health consequences.

E-cigarette manufacturers are aggressively marketing their products to kids, teens, and young adults. Products are glamorized through the use of celebrities, discounts, and flavorings such as cotton candy, and Maui mango.

Legislation to increase tobacco product price points are a proven strategy to decrease use and adverse health impacts. We urge the legislature to the same to regulate and tax disposable e-cigarette and e-liquid. We feel it's important that a portion of the revenue generated by such a tax should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

We strongly support SB2654 and urge you to pass this Bill.

Thank you very much for allowing us to testify:

May Okihiro

Michael Broderick

Stacy Evensen

Daniel Leung

Barbra Pleadwell

Tina Tamai

Diane Tabangay

Jennifer Dang

Paula Adams

Ray L'Heureux

Michael Libertini

SB-2654-HD-1

Submitted on: 3/18/2018 5:45:30 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	omitted By Organization		Present at Hearing		
Vin Kim	Eciggity	Oppose	No		

Comments:

SB2654 would not stop any remote sales from Hawaii it would simply put online retailers in Hawaii out of business entirely and not able to compete against mainland websites who will ship to Hawaii anyway. There are also customers who live in remote areas of Hawaii not near a vape shop who use vapor products as smoking session products who would be significantly impacted by this especially because the bill stats it would make those who buy online C Class Felons.

This bill also falsely classifies vapor products as tobacco products which is misleading and not accurate representation of the products as they contain no tobacco at all.

Also please check out the updated American Cancer Society's stance on ecigarettes products. Here are some excerpts:

Scientific Summary: "Based on currently available evidence, using current generation ecigarettes is less harmful than smoking cigarettes, but the health effects of long-term use are not known."

Clinical Recommendations:

"The ACS recommends that clinicians support all attempts to quit the use of combustible tobacco and work with smokers to eventually stop using any tobacco product, including e-cigarettes."

"These individuals should be encouraged to switch to the least harmful form of tobacco product possible; switching to the exclusive use of e-cigarettes is preferable to continuing to smoke combustible products."





Date: March 18, 2018

To: The Honorable Roy M. Takumi, Chair The Honorable Linda Ichiyama, Vice Chair

Members of the House Committee on Consumer Protection & Commerce

From: Jessica Yamauchi, Executive Director, Hawai'i Public Health Institute

Re: STRONG SUPPORT for SB2654 SD2 HD1 Relating to Chapter 245, Hawaii Revised Statutes

Hrg: March 20, 2018 at 2:00 pm at Capitol Room 329

Thank you for the opportunity to submit testimony in <u>STRONG SUPPORT</u> of SB 2654 SD2 HD1 which restricts the shipment of tobacco products to anyone other than a licensee, includes e-liquids in the definition of tobacco products, thereby establishing a tax on e-liquids and requires wholesalers and retailers to obtain a tobacco permit and license, and increases the tax on cigarettes.

The Coalition for a Tobacco-Free Hawai'i (Coalition) is a program of the Hawai'i Public Health Institute (HIPHI) that is dedicated to reducing tobacco use through education, policy, and advocacy. With more than two decades of history in Hawai'i, the Coalition has led several campaigns on enacting smoke-free environments, including being the first state in the nation to prohibit the sale of tobacco and electronic smoking devices to purchasers under 21 years of age.

1. Electronic smoking devices and all of its components and parts, including e-liquid are tobacco products.

- As defined in Hawaii Revised Statues §328J-1: "Electronic smoking device" means any electronic
 product that can be used to aerosolize and deliver nicotine or other substances to the person
 inhaling from the device, including but not limited to an electronic cigarette, electronic cigar,
 electronic cigarillo, electronic pipe, hookah pipe, or hookah pen, and any cartridge or other
 component of the device or related product, whether or not sold separately.
- As defined federally by the FDA¹ in 2016: "FDA now regulates the manufacture, import, packaging, labeling, advertising, promotion, sale, and distribution of Electronic Nicotine Delivery Systems (ENDS), including components and parts of ENDS but excluding accessories. Examples of components and parts of ENDS include: E-liquids, A glass or plastic vial container of e-liquid, Cartridges, Atomizers, Certain batteries, Cartomizers and clearomizers, Digital display or lights to adjust settings, Tank systems, Drip tips, Flavorings for ENDS, and Programmable software."

2. A tax should be established on all e-liquids, whether or not they contain nicotine for public health concerns.

There is no public health reason to exempt nicotine-free e-liquids from any tax. In a 2015 study
 of more than 58 million e-cigarette units found that 99% of these contained nicotine, whether or

- not they were labeled as zero nicotine or nicotine-free. This is evidence that we cannot rely on self-reported information on nicotine content alone. Placing a tax on all e-liquids will also allow the Department of Taxation to administer the tax using the current systems without the burden of having to test whether or not e-liquids are in fact nicotine-free.
- Electronic smoking devices (ESDs) are the only tobacco product without a tobacco tax. In a pollⁱⁱ conducted by Ward Research Inc. for the Coalition in November 2018, 81% of registered Hawai'i voters were in support of taxing e-cigarettes at the same rate as cigarettes or other tobacco products. Because ESDs are not subject to current State tobacco tax laws, they are seen as lower-priced tobacco alternatives with virtually no restrictions that can be appealing to the youth.

3. ESD and vaping among youth in Hawaii are at an all-time high with up to 50.7% in Maui County and 42.3% statewide.

According to the 2017 Hawai'i Youth Risk Behavior Survey –

Tobacco and Vapor Product Use in Hawaii – High School and Middle School												
	State		Hawaii		Honolulu	Kauai		Maui				
	HS	MS	HS	MS	HS	MS	HS	MS	HS	MS		
Ever tried using												
electronic vapor	42.3%	27%	49.6%	35.8%	39%	23.8%	45.3%	30.0%	50.7%	32.1%		
products												
First tried using an												
electronic vapor	9.0%	N/A	10.7%	N/A	8.0%	N/A	11.2%	N/A	11.2%	N/A		
product before age 13	9.0%	IN/A	10.770	IN/A	0.070	IN/A	11.2/0	IN/A	11.2/0	IN/A		
years												
Used an electronic												
vapor product in the	25.5%	15.7%	34.1%	23.0%	22.0%	13.4%	31.3%	18.5%	32.3%	18.3%		
past 30 days												

- Because they remain unregulated, e-cigarette companies have aggressively marketed their products by glamorizing their use, using celebrities and young adults as endorsers, and making false health claims.
- A 2016 report by the Surgeon General concluded that e-cigarettes are dangerous and a health threat to youth and young adults^{iv}.

4. Hawai'i has one of the lowest tobacco license and retailer fees in the nation.

• The license fee for wholesalers and dealers is only \$2.50 a year, while retail tobacco permit fees cost only \$20 a year. Nationally, license fees in 38 states range from \$200 to \$1500. Permit fees in 32 states range from \$20 to \$1,000. The Coalition supports increasing the wholesaler and dealer license fee to \$250.00 and the retail tobacco permit fee to \$50.00. In comparison with other fees, the annual wholesale liquor license for the City and County of Honolulu is \$2,640.

5. ESD are currently not required to obtain a tobacco permit or license in order to sell these products.

 Currently, there is no database that tracks who is selling ESDs in the state, making it difficult for state agencies to educate merchants and enforce our Tobacco 21 law, which includes prohibiting the sale of ESDs to anyone under the age of 21. Without permitting and licensing, store density and distribution of these products will only continue to grow.

6. This measure corrects the loophole in our minimum age selling and tax laws.

Online ESD sellers simply ask users to click a button to verify their age – a process that is both
ineffective and inadequate. This measure helps to correct this loophole by requiring that ESD
products be shipped to a registered and licensed seller allowing the State to enforce current
tobacco selling and taxation laws.

7. The Coalition further recommends that a portion of the revenue collected from ESD and e-liquid taxes be dedicated to tobacco prevention and quit programs.

• The same statewide poll found that 89% of registered Hawaii voters overwhelmingly agree that it is important for the State to earmark some of the revenue to programs aimed at preventing tobacco use among kids and to helping smokers quit. Currently no revenue from cigarette or OTP taxes is appropriated for tobacco prevention and cessation. When the price of tobacco increases, more people seek help to quit and we need to ensure programs are available and accessible by the public to help them quit.

The U.S. Surgeon General issued an immediate call to action for all local and state government to enact policies that address the harmful impact of e-cigarettes. Hawai'i has already made enormous progress on tobacco control and we ask the legislature to take the necessary steps to reduce the negative health impact made by e-cigarettes and other emerging tobacco products.

Part II

The Coalition also supports Part II of this bill, which was inserted in the House Health and Human Services Committee. Part II of the bill increases the tax on cigarettes by an unspecified amount. Raising taxes is a proven strategy to reduce consumption on tobacco products for both adults and youth. The Coalition notes that there has not been an increase in taxes on cigarettes and little cigars in the last seven years and for other tobacco products, other than large cigars, the last tax increase occurred in 2009.

Majority of registered Hawai'i voters support an increase in cigarette taxes (76%). In addition, the Coalition requests that a portion of the proposed revenue be dedicated to the Department of Health for tobacco cessation programs and education. Currently no money from tobacco taxes are allocated towards tobacco prevention and control. Populations at risk that continue to experience higher rates of smoking would be the primary beneficiaries of these education and cessation activities, helping to provide them with the resources needed to quit smoking and to help curb the high costs associated with tobacco use.

Raising tobacco taxes encourages people to quit smoking and regulating vaping will help to prevent youth and young adults from using tobacco products. Hawai'i has been leading the way in tobacco control, and this bill will continue to champion our efforts in reducing tobacco use and reducing youth ecigarette rates across the state.

Thank you for the opportunity to testify. We strongly support SB2654 SD2 HD1 and respectfully ask you to pass this measure out of committee.

Mahalo,

Burick Yamauch

Jessica Yamauchi, MA Executive Director, HIPHI

ⁱ U.S. Food & Drug Administration, "Vapors, E-Cigarettes, and other Electronic Nicotine Delivery Systems (ENDS)." from https://www.fda.gov/TobaccoProducts/Labeling/ProductsIngredientsComponents/ucm456610.htm#regulation

Kristy L. Marynak, Doris G. Gammon, Todd Rogers, Ellen M. Coats, Tushar Singh, Brian A. King, "Sales of Nicotine-Containing Electronic Cigarette Products: United States, 2015", American Journal of Public Health 107, no. 5 (May 1, 2017): pp. 702-705. via http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_id=ori%3Arid%3Acrossref.org&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_id=ori%3Arid%3Acrossref.org&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_id=ori%3Arid%3Acrossref.org&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_id=ori%3Arid%3Acrossref.org&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_id=ori%3Arid%3Acrossref.org&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublications.org/doi/abs/10.2105/AJPH.2017.303660?url_ver=Z39.88-2003&rfr_dat=cr_pub%3Dpubmed&">http://ajph.aphapublica

^{2003&}amp;rfr_id=ori%3Arid%3Acrossref.org&rfr_dat=cr_pub%3Dpubmed&

This study by Ward Research, Inc. summarizes findings from a phone survey among n=804 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between October 24 and November 16, 2017.

^{iv} U.S. Department of Health and Human Services. *E-Cigarette Use Among Youth and Young Adults, a Report from the Surgeon General* (2017). from https://e-cigarettes.surgeongeneral.gov/documents/2016_SGR_Exec_Summ_508.pdf



To: Hawaii State House of Representatives Committee on Consumer Protection and

Commerce

Hearing Date/Time: Tuesday, March 20, 2018, 2:00 p.m. Place: Hawaii State Capitol, Rm. 329

Re: Testimony of Planned Parenthood Votes Northwest and Hawaii in strong support of S.B.

2340, SD2, HD1, relating to Health Insurance

Dear Chair Takumi and Members of the Committee,

Planned Parenthood Votes Northwest and Hawaii ("PPVNH") writes in strong support of S.B. 2340, SD2, HD1, which seeks to codify in Hawaii state law important protections currently required under the federal Affordable Care Act ("ACA").

As the ACA is under constant attack by the current administration, it is up to Hawaii to ensure that we continue to have the health care that we need. Losing the critical protections established by the ACA would be devastating for the people in Hawaii who depend on them.

The ACA established important protections for all Americans, especially for those with pre-existing conditions, young people and women. Since the ACA became law, thousands in Hawai'i gained insurance coverage, 560,000 people with pre-existing conditions can no longer be denied coverage, and approximately 6,000 youth in Hawai'i have gained coverage because they are able to stay on their parent or guardian's health insurance plan until they turn 26 years old. In addition, the ACA created strong gains for women with its ban on gender discrimination, as women in Hawai'i were previously charged as much as 23 percent more than men for the same coverage.

S.B. 2340 would ensure that Hawaii people don't have to worry about losing their health care and will continue to benefit from commonsense protections, including preventing denial of coverage for pre-existing conditions, prohibiting insurance from charging women more for coverage simply because of their gender, and allowing young people to stay on their parents' plans until age 26.

Please maintain the provision that requires insurers to cover dependent youth under 26, as approximately 6000 young people in Hawaii would go without insurance if the federal government repeals this provision or the ACA in its entirety. This coverage is critical to the health, finances and future of our young people, who, according to the Center for Consumer Information and Insurance Oversight, have the highest rate of uninsured of any age group. About 30% of young adults are uninsured - more than one in five of the uninsured - a rate higher than any other age group and three times higher than the uninsured rate among children.¹

¹ The Center for Consumer Information & Insurance Oversight, Centers for Medicare and Medicaid Services, Young Adults and the Affordable Care Act: Protecting Young Adults and Eliminating Burdens on Families and Businesses, available at https://www.cms.gov/CCIIO/Resources/Files/adult_child_fact_sheet.html.

The Center also notes that young adults have the lowest rate of access to employer-based insurance as they often have entry-level jobs, part-time jobs, or jobs in small businesses, and other employment that typically comes without employer-sponsored health insurance.²

Young people are particularly at risk of immediate and future financial distress if they are uninsured and have a chronic condition, a medical emergency or suffer from even one illness or injury that requires medical treatment. One in six young adults has a chronic illness like cancer, diabetes or asthma and nearly half of uninsured young adults report problems paying medical bills.³ Please maintain this provision and promote the health and wellbeing of our young people.

As state lawmakers, you can help to ensure that people in Hawaii, and particularly our young people, continue to benefit from these critical and life-saving protections by passing S.B. 2340.

Thank you for this opportunity to testify in support of this important measure.

Sincerely,

Laurie Field Hawaii Legislative Director

² Id.

³ *Id*.

Agbayani Amy Allison Carla Armstrong Dylan Armstrong Judith

Aspin Colin

Bailey Evangeline

Bertolette Reed
Bilyk, RN, N Patricia
Blair Patricia
Blofstein Rebecca
Bowman Peggy
Brock Agnes
CHAPIN SAMUEL

Carpenter Carol

Chang Kaila Contrades Kelly

Copeland Camille And Rick

Dack Audrey
Delafield Rebecca
Doran James
Drake Lois
Evans Dale
Fojtasek Anne

Freed Ann Gardner Daniel Gelert John

Golden Kathleen Golojuch, J Michael

Goodyear Brian Grinnell Michael Hedden Jennifer Hedgecock James

Henke Elizabeth Irikura Beth

Kinoshita Taurie Kocher Jo Ann Kohn Lorraine

Laeno Arlene May

Lance Cindy Leopold David Lima **James** Lin Peiching Lindsey Susan Lombardi Laura Lorenzo Anne Losalio Jennifer

Terri

Manabe

McClellan Dorien

McClintock B.A.

Mick Judith

Minichiello Daniel

Nakajima Martha

Nelson Joy

PASSON GARY

Pang Naomi

Parado Norma

Patton Lesley

Peschke Betty

Phillips Hartley

Picher H G

Pliska Jennifer

Quach Namphuong

Ray Joy

Rentzer Howard

Roberts Jeffrey

Robinson-C Lynn

Rosenthal Carolyn

Russell Gary

Sherman Lila

Shimata Kathy

Simrell Louise

Spaeth Jane

Spafford David

Steele Margaret

Thal Sherri

Thomson RL

Troutner Marty

Trubitt Anita

Trustin Bonnie

Vitola Debra

WOLF ALFRED

Wade Andrea

Warfield Laura

Wiehl Janine

Wood Melinda

blank kevin

brannen charles

brainlen Charles

kawaguchi eugene

keller anastasia

patrick amanda

w. shari



March 20, 2018

RE: SUPPORT SB 2654 SD2 HD1 Relating to Chapter 245 Hawaii Revised Statutes

Dear Chair Takumi and Members of the House Committee on Consumer Protection & Commerce:

At Blue Zones Project we are working to make Hawaii a happier, healthier place to live, work and play. We support SB2654 SD2 HD1. In Hawaii alone, smoking causes 1,400 adult deaths every year, costing \$256 million. Limiting the use of tobacco would be the most effective way to prevent a number of chronic disease and other harmful health consequences.

Although Hawaii and California have the strictest laws in the nation prohibiting the sale of tobacco to individuals under the age of 21, our children are still able to easily purchase cigarettes and other tobacco products via the Internet. Section 1 of this legislation will close that loophole by only allowing the shipment of cigarettes and OTPs to licensed retailers, where a person would then be able to pick up the product ordered online.

Hawaii continues to see a steep rise in the use of electronic smoking devices especially among youth. One in four Hawaii youth have used ESDs, higher than the national average. The unregulated industry of online sales allows yet another avenue for youth to easily obtain these products. There is very little regulation of online purchases to ensure that the customer is 21 years old in accordance with our state law. The unregulated ESD industry continues to aggressively target children through a variety of online campaigns offering deep discounts and candy flavored tobacco products.

This section addresses the definition of "e-liquid" creating consistency through the HRS, making it clear to both the public and retailers that e-liquid is a tobacco product. SB2654 SD2 HD1 Section 1 will enable e-liquids to be taxed at the same rate of cigarettes; nicotine in either form poses serious health risks. This tax will help to address the growing population of youth who utilize e-liquids because of lower costs.

Beyond taxing, this bill requires the permitting and licensing for the sale of e-cigarettes. Currently this industry is unregulated enabling the sale in places that are traditionally high traffic for youth and placed in prominent, visible places. Through regulation there can be a targeted effort to provide education to retailers around our current tobacco laws.

We are grateful to the Committee for hearing SB2654 SD2 HD1 and hope that you will strongly consider passing this bill to support the decrease of illegal access and sales of tobacco products. Mahalo for your support in creating a better, healthier Hawaii.

With aloha,

Peggy Mierzwa Statewide Policy Lead

Blue Zones Project—Hawaii

eqqy Mierzwa

Brought to Hawaii by



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SB-2654-HD-1

Submitted on: 3/19/2018 9:47:12 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mariner Revell	Irie Hawaii	Oppose	No

Comments:

I oppose SB2654. As a small retail business owner in Hawaii we have a lot of competition from online sellers such as Amazon, ebay, and countless others. Our profit margins are small and with increased regulations such as the higher minimum wage, state and federal regulations, making it in Hawaii is TOUGH to say the least. The effect of this bills passage is simple, businesses will close and jobs will be lost.

Please do not pass this anti small business bill! We are a Hawaiian owned and operated family business it is hard enough to make ends meat with all of the challenges we face on a daily basis. If any of you have owned a business you know what I am talking about. If you have not owned a business, please go out and talk to your constituents that rely on their small businesses to earn a living.

Furthermore the hidden 70% tax in this bill will devastate the vaping business in Hawaii. A business that is run by local small business owners. For example one of our stores is a small vape shop in Hilo, I have 3 employees at this shop and barely get by as is. I keep the shop open for one reason only, to keep my workers, my extended family working! If this bill passes, it would not allow us to earn a living by having the FREEDOM to sell our merchandise online, also the tax associated with SB2654 would seal the coffin not only on my business, but on the financial futures of my employees.

Please do not pass this bill which would destroy numerous small businesses in Hawaii, we put our lives blood sweat and tears in to our businesses, please do not take away our livelihood! Thank you for your time.

LEGISLATIVE TAX BILL SERVICE

TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Prohibits shipment of tobacco products, adds electronic smoking

devices

BILL NUMBER: SB 2654, SD-2

INTRODUCED BY: Senate Committee on Ways & Means

EXECUTIVE SUMMARY: Prohibits shipment of tobacco products to anyone other than a licensee. Includes e-liquid within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law, thereby making all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid as well. Increases the license fee for wholesalers or dealers and the retail tobacco permit fee.

SYNOPSIS: Adds a new section to chapter 245, Hawaii Revised Statutes, to prohibit certain transport of tobacco products other than to a tobacco licensee, unless either (1) the tobacco products are exempt from tax, or (2) the packaging includes a notice to the effect that the State bans the sale of tobacco products to individuals under 21, and that the recipient is legally responsible for all applicable unpaid taxes on the shipped products. Unlawful shipment of tobacco products is a misdemeanor. Provides that any person or entity that purchases, uses, controls, or possesses any tobacco products for which the applicable tax has not been paid, shall be liable for the taxes, plus penalties and interest as provided for by law.

Adds a new definition to HRS section 245-1 of "e-liquid."

Amends the definition of "tobacco products" in HRS section 245 to include e-liquid.

Amends section 245-2, HRS, to raise the annual tobacco license fee from \$2.50 to \$250.00.

Amends section 245-2.5, HRS, to raise the annual retail tobacco permit fee from \$20 to \$50.

EFFECTIVE DATE: July 1, 2050.

STAFF COMMENTS: The 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 exert downward pressure 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 really to stop the behavior, why are we not banning it?

Digested 3/12/2018

SB-2654-HD-1

Submitted on: 3/19/2018 11:12:54 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Hawaii Smokers Alliance	Oppose	Yes

Comments:

We are STRONGLY OPPOSED to bill SB2654. The bill is nothing an attack on your constituents that smoke or vape. These further tax increases and regulations WILL NOT CHANGE our member's attitutes to continue to enjoy our constitutionally protected right to smoke and vape. All it will do is further overburden an already overtaxed revenue source and harm small businesses. The only people who will gain from this awful bill is the black market.



To: Representative Roy M. Takumi, Chair, and Members of the House Committee on

Consumer Protection & Commerce

Date: Tuesday, March 20, 2018

Time: 2:00 p.m.

Place: Conference Room 329, State Capitol

From: Les Drent

for the Hawaii Cigar Association (HCA)

Re: SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Representative Roy M. Takumi, Chair, and Members of the House Committee on Consumer Protection & Commerce,

The Hawaii Cigar Association (HCA) stands in strong opposition to SB2654 SD2 HD1, a bill which makes unlawful the shipment of tobacco products, and transport of tobacco products ordered or purchased through a remote sale, to anyone other than a licensee. Makes all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid. Increases the license fee for wholesalers or dealers and the retail tobacco permit fee. Amends the taxes on cigarettes and tobacco products. Increases the excise tax for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer. Increases the excise tax on the wholesale price of each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer. (SB2654 HD1).

The HCA is committed to protecting the freedom of legal-age adults to enjoy cigars. This mail order prohibition would not stop remote sales but would simply encourage more black market sales. This measure is harmful and unfair to legal-age local consumers and law-abiding local businesses. All major shipping companies already have age restriction technologies available and can be used to prevent youth access to tobacco products. Large cigars are rarely--if ever--possessed or consumed by minors and therefore pose negligible risk to them. Children are not attracted to cigars, and their cost--between \$5 and \$30 apiece on average--prices them beyond the reach of most minors. The HCA stands united with the Legislature in ensuring that Hawai'i's youth be discouraged from using tobacco of any kind, including cigars.

Sincerely,

Les Drent

for the Hawaii Cigar Association

SB-2654-HD-1

Submitted on: 3/18/2018 6:27:14 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jude Neil	Eciggity	Oppose	No

Comments:

This bill will make friends and family that I know covert to their old bad smoking habits. Several of my friends were drug addicts and when I had introduced them into "vaping", they've stopped doing all of that and proud to say that vaping saved their lives.



To: Representative Roy M. Takumi, Chair, and Members of the House Committee on

Consumer Protection & Commerce

Date: Tuesday, March 20, 2018

Time: 2:00 p.m.

Place: Conference Room 329, State Capitol

From: Les Drent

for the Kauai Cigar Company

Re: SB2654 SD2 HD1 Relating to Chapter 245, Hawaii Revised Statutes

Representative Roy M. Takumi, Chair, and Members of the House Committee on Consumer Protection & Commerce,

The Kauai Cigar Company, its employees, and industry partners stand in strong opposition to SB2654 SD2 HD1, a bill which makes unlawful the shipment of tobacco products, and transport of tobacco products ordered or purchased through a remote sale, to anyone other than a licensee. IMakes all provisions of the cigarette tax and tobacco tax law that relate to tobacco products applicable to e-liquid. Increases the license fee for wholesalers or dealers and the retail tobacco permit fee. Amends the taxes on cigarettes and tobacco products. Increases the excise tax for each cigarette or little cigar sold, used, or possessed by a wholesaler or dealer. Increases the excise tax on the wholesale price of each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer. (SB2654 HD1)

This mail order prohibition would not stop remote sales but would simply encourage more black market sales. This measure is harmful and unfair to legal-age local consumers and law-abiding local businesses. All major shipping companies already have age restriction technologies available and can be used to prevent youth access to tobacco products.

Instead on banning mail order sales, please consider SB2843, SD1, a bill that places a tax cap of 50¢ on large cigars which would help Hawai'i cigar retailers compete with mail-order businesses that sell premium cigars within Hawai'i.

Sincerely,

Les Drent Farmer/President



March 19, 2018

To: The Honorable Representative Roy M. Takumi, Chair
The Honorable Representative Linda Ichiyama, Vice Chair
Members, House Committee on Consumer Protection & Commerce

From: Cory Smith, VOLCANO eCigs®
CEO and Owner

RE: SB 2654 SD2 HD1 – oppose.

Thank you for the opportunity to submit testimony.

VOLCANO eCigs[®] is the largest wholesaler and retailer of vapor products and vaping accessories in the State of Hawaii. We currently own and operate 13 locations statewide and employ over 80 full-time workers to support sales of our products not only here in Hawaii, but to all 50 states as well as over 30 International countries. We stand in opposition to SB 2654 SD2 HD1 for the following:

- Vapor products contain NO tobacco, and often times contain NO nicotine, and ultimately emit NO smoke. Nonetheless, SB 2654 SD2 HD1 aims to unfairly classify all vapor products as "Tobacco Products" and deceptively refers to them as "Electronic Smoking Devices" as a way to deceive the public and to create a false perception that vapor products are the same as tobacco products in an effort to bring vapor products into the same regulatory framework as traditional tobacco cigarettes for the purposes of taxation. This will adversely effect the vapor industry in Hawaii resulting in unintended economic and health consequences as detailed below.
- SB 2654 SD2 HD1's justification states that the use of vapor products, specifically "E-Liquid", carries similar health risks to that of tobacco. However, recent studies have also shown vapor products to be as much as 95% less toxic than traditional Cigarettes.
 - https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/4571
 https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/4571
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 - https://www.gov.uk/government/news/phe-publishes-independent-expert-ecigarettes-evidence-review
- Furthermore, a recent study by the National Academy of Sciences, Engineering, and
 Medicine stated: "there is conclusive evidence that completely substituting e-cigarettes
 for combustible tobacco cigarettes reduces users' exposure to numerous toxicants and
 carcinogens present in combustible tobacco cigarettes." The findings add to the already



weighty body of evidence showing vaping to be far less hazardous than smoking.

- o http://www.washingtonexaminer.com/landmark-e-cigarette-report-explodes-myth-that-vaping-is-as-toxic-as-smoking/article/2646804
- o http://nationalacademies.org/hmd/reports/2018/public-health-consequences-of-e-cigarettes.aspx?utm_source=Hootsuite&utm_medium=Dashboard&utm_campaign=SentviaHootsuite
- SB 2654 SD2 HD1 exempts traditional Nicotine Replacement Therapy (NRT) products that
 contain nicotine even though vapor products have been shown to be a much more effective
 tool for helping people quit smoking and have been demonstrated to have a similar risk
 profile as NRT's.
 - o http://onlinelibrary.wiley.com/doi/10.1111/add.12623/abstract
 - o http://m.circ.ahajournals.org/content/130/Suppl 2/A14945.short
- The most Recent CDC report has shown e-cigarettes have supplanted all other traditional nicotine replacement therapies and are now the most commonly used product by tobacco users to quit using traditional tobacco cigarettes. Access to these products should be improved not restricted further if it is the states goal to further reduce smoking rates.
 - http://www.journalnow.com/business/business_news/local/cdc-report-shows-more-smokers-try-to-quit-with-e/article_a33383f3-5300-5178-9f14-28b52884c45c.html
- Recent studies have actually shown that the substantial increase in e-cigarette use among US
 adult smokers was associated with a statistically significant increase in the smoking
 cessation rate at the population level.
 - o http://www.bmj.com/content/358/bmj.j3262
- SB 2654 SD2 HD1 states in its justification that the bill is needed to curb youth usage. However, it fails to reference the most recent CDC report and data that shows youth use of tobacco products are at the lowest levels ever and continue to fall. Also, youth use of vapor products has been reported to be in decline since 2015 and recent studies have shown that the majority of youth who have reported using e-cigarettes are not using e-liquids that contain nicotine further suggesting that youth who do use e-cigarettes are doing so to replace the use of traditional tobacco cigarettes.
 - o https://www.cdc.gov/media/releases/2017/p0615-youth-tobacco.html
 - o https://www.psc.isr.umich.edu/events/archive/feature-detail/1833
- SB 2654 SD2 HD1 would not successfully remove vapor products from the Internet. It would simply restrict local based businesses from competing with businesses from the



49 other states that would not be subject to this regulation and would result in massive job and revenue loses in the state.

- Age restriction technologies are already available and can be used to prevent youth access to these products. The alcohol industry has been successful with existing technologies and something as simple as age verification or signature verification through any major shipping provider could be a workable solution that has been completely overlooked in this bill.
- Internet sales provide access to vapor products for many local customers who live in remote locations. By restricting local Internet retailers, those purchases would simply be sent to mainland-based suppliers.
- Most troubling is the fact that by subjecting vapor products to this proposed tax, the additional costs to consumers will likely result in the state seeing less tax revenue, and even worse, former smokers returning to tobacco use. The tax will result in current vapor users purchasing from online vendors who would not be subject to state taxes. Local manufacturers, wholesalers and retailers would be put at a massive competitive disadvantage and most retail customers would send their money out-of-state effectively lowering the tax revenue already being generated by sales of vapor products here in the state. We would be unable to compete in other out-of-state and international markets with competitors who are not subjected to the same tax, which would put our local operations in severe jeopardy meaning an immediate loss of jobs and existing revenues. This bill would also effectively reduce access to a modified risk product that has been a public health win and would simply prop up and protect the proven deadly tobacco market.

It is our belief that this unjustified regulation and tax will not serve the best interests in the state of Hawaii. Thank you for your time and consideration. If you have any questions, please feel free to contact me directly.

Sincerely,
Cory N. Smith
CEO & Owner
VOLCANO Fine Electronic Cigarettes®
1003 Bishop Street #1260
Honolulu, HI 96813
cory@volcanoecigs.com

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 8:25:47 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Dau	Keiki Injury Prevention Coalition	Support	No

Comments:

Keiki Injury Prevention Coalition supports SB2654 SD2 HD1

Thank you

Lisa Dau, RN Injury Prevention Coordinator

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 3:36:41 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Devin Wolery	PCG Enterprises LLC	Oppose	Yes

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 9:40:11 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dillon Rellez	Irie Hawaii	Oppose	No

Comments:

I believe that this will truly hurt the sanity, economy, and there are many things that can be done with said situation, this law is not one of them. Thank you for your time. Take care.

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 6:28:10 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Cooper	Individual	Oppose	No

ichiyama2 - Naomi

From: worldmk007@everyactioncustom.com on behalf of Michael Kellar <worldmk007

@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:09 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Michael Kellar Honolulu, HI 96821

ichiyama2 - Naomi

From: kbraun2000@everyactioncustom.com on behalf of Kathyrn Braun < kbraun2000

@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:07 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

I am professor and director of Public Health at the University of Hawai'i, testifying as an individual. I have reviewed research on tobacco (including e-cigarettes) and am very concerned about the harms it causes to children, adults, communities, and our state. Reducing tobacco and nicotine use will improve the health of the people of Hawai'i and reduce tobacco-related health care costs for the state.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable e-cigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Kathyrn Braun Honolulu, HI 96813

ichiyama2 - Naomi

From: mmg2b@everyactioncustom.com on behalf of Michelle Gray

<mmg2b@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:01 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Michelle Gray Honolulu, HI 96825

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 6:31:31 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Lani Hernandez	Individual	Oppose	Yes	

Comments:

No more unfair taxes on tobacco!

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 7:36:28 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Mark Owens	Individual	Oppose	No	1

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 7:44:09 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Bill Patterson	Individual	Oppose	No

Comments:

I will remember in November how people voted on this bill. I oppose this bill Strongly.

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 7:47:04 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Ned Garcia	Individual	Oppose	No	

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 10:37:37 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Dietrich	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/16/2018 11:10:20 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle Robinson	Individual	Oppose	No

Comments:

Make me a happy voter and lower my taxes on tobacco instead.

Mahalo, Michelle

SB-2654-HD-1

Submitted on: 3/17/2018 1:23:47 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Naomi C. Liu	Individual	Oppose	No

Comments:

SOOOO SICK OF THE F'ing BANS AND TOBACCO/VAPE TAXES INCREASES!!!!! I've been a Democrat my whole life, what the hell is wrong with the Democrat party now adays. You guys are taking away our LIBERAL freedoms and overtaxing the poor. SHAME ON U GUYS!

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 9:52:02 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
David McCann	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 9:57:33 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Chris C.K. Arakaki	Individual	Oppose	No	

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 10:29:19 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Clayton Silva	Individual	Oppose	No

Comments:

If the legislature didn't waste so much money on silly things, you wouldn't have to attack your constituents for more again and again.

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 12:46:52 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Winters	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 12:41:01 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Kimo Cruz	Individual	Oppose	Yes	ĺ

Comments:

NOT ONLY NO, BUT HELL NO!!! STOP THE HATE!!! STOP SB2654 NOW!!!

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 1:29:35 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Anthony Orozco	Individual	Oppose	No	

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 1:41:36 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Tammy Young	Individual	Oppose	No	

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 3:01:05 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Denny Diez	Individual	Oppose	No

Comments:

Wow. Was this bill created just to inflame voters?

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 3:46:28 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ke Nguyen	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 3:49:15 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alex Abe	Individual	Oppose	No

Comments:

I'm Alex and I oppose this bill. E-vapor doesn't harm anybody. It helps people.

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 4:06:57 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cindy Nettles	Individual	Oppose	No

SB-2654-HD-1

Submitted on: 3/17/2018 4:35:15 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chad Wheeling	Individual	Oppose	No

Comments:

Dear Committee,

SB2654 is an insult to working people that have to pay for the disgrace called SB2654.

The ingrate that introduced this bill to attack a whole segment of society is a disgrace as well.

Just because one state senator is out of control shouldn't mean that most house members need to have hate in their hearts for their constituents that love to vape or smoke. Please do the right thing and don't let 2654 pass out of committee. Mahalo.

Yours, Chad

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 4:48:17 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dallas Nelson	Individual	Oppose	No

Comments:

I strongly oppose ALL of this bill.

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 8:31:01 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sabrina Spencer	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/17/2018 8:57:35 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Watanabe	Individual	Oppose	No

SB-2654-HD-1

Submitted on: 3/18/2018 1:32:46 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tyler Hamblin	Individual	Oppose	No

Comments:

As a libertarian voter, I do not believe in strangling rights away from a free market. However with the rapid increase in the popularity of e-cigarettes we must do a better job of allowing only those of the legal age access. Perhaps stiffer penalties for retailers selling to underage citizens as well as stiffer allowing for those who unlawfully provide substances. Putting a ban on commerce will only prevent this particular section of the market from bringing in income in the form of taxes as well as other avenues. Although the subject of vaping is polarizing in the sense that so many are quick to dismiss it as alternative and vice versa, we cannot deny that is has caused a decline in the use of traditional tobacco products. More awareness is required to help our youth understand that vaping is not a healthy habit, but we must do so without stifling the free market.

Date: March 18, 2018

To: The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair

Members of the House Committee on Consumer Protection and Commerce

Re: **SUPPORT for SB2654 SD2 HD1**, Relating to Chapter 245, Hawai'i Revised

Statutes

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

Respected Members of the House Committee on Consumer Protection and Commerce.

I am writing in strong **SUPPORT of SB2654 SD2 HD1** that would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, shipment restrictions, and licensing and permitting.

Use of ESDs among youth and young adults has become a national public health concern. ESDs are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While cigarette smoking rates in Hawai'i have decreased through the years, ESD vaping has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because ESDs provide a new way to deliver the addictive drug nicotine.

No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

In addition, research in humans now clearly demonstrates that inhaling the aerosol (vapor) from ESDs causes damage to the respiratory and cardiovascular systems *even when e-liquids contain no nicotine*.

Without regulation, ESD manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing their use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ESDs and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy to reduce use. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This legislation will also require permitting and licensing allowing the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly **support SB2654 SD2 HD1** and respectfully ask you to pass this bill out of committee.

Many thanks for your consideration,

Forrest Batz, PharmD Keaau, HI

SB-2654-HD-1

Submitted on: 3/18/2018 10:48:14 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
C. Azelski	Individual	Support	No

Comments:

<u>SB2654 SD2 HD1</u> would regulate ESDs by applying a tax on disposable ESDs and eliquids and by requiring retailers and wholesalers to be permitted and licensed. ESDs were deemed as tobacco products by the FDA in 2016, but they remain unregulated in Hawai'i and are the only tobacco product without a tobacco tax in the state. I support this measure.

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 10:53:34 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Donald McCann	Individual	Oppose	No

Comments:

Please lower the taxes on tobacco. Too high already.

From: Ibuencon@everyactioncustom.com on behalf of Lee Buenconsejo-Lum

<lbuencon@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:19 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Numerous studies conducted across the country and even in Hawaii, find that ESDs can lead to smoking cigarettes for new users, including kids. In June 2017, a meta-analysis study, published in JAMA Pediatrics concluded that "e-Cigarette use was associated with greater risk for subsequent cigarette smoking initiation and past 30-day cigarette smoking. Strong e-cigarette regulation could potentially curb use among youth and possibly limit the future population-level burden of cigarette smoking." There have also been numerous studies about the toxins and effect of those toxins on lung tissue. Additional information from the 2016 Surgeon General's report can be found here: https://e-cigarettes.surgeongeneral.gov/documents/2016_SGR_Fact_Sheet_508.pdf Information from the National Institutes of Health can be found here:

https://www.drugabuse.gov/publications/drugfacts/electronic-cigarettes-e-cigarettes

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable e-cigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Lee Buenconsejo-Lum Kaneohe, HI 96744

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 11:39:52 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Stephanie Austin	Individual	Support	No	

Comments:

Please support this important bill for the health of our youngsters. Vaping is a harmful, addicting fad that destroys the health, years later, of our young people.

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 11:48:22 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Susan Larson	Individual	Oppose	No

From: barbrick@everyactioncustom.com on behalf of Barbara Nosaka

<barbrick@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:17 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Follow Up Flag: Follow up Flag Status: Completed

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and guit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Barbara Nosaka Honolulu, HI 96822

SB-2654-HD-1

Submitted on: 3/18/2018 1:13:16 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dan Domizio	Individual	Support	No

Comments:

OUR LEGISLATURE MUST pass this bill and do everything it can to stifle the use of ESDs. They are addictive, they drain resources from many families where they are used, they contribute to poor health.

Thanks for this opportunity to testify in support of this bill.

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 1:59:47 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Jason Park	Individual	Oppose	No	ı

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 5:32:59 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jeff Stevens	Individual	Oppose	No

Comments:

Cost of living is already to high on the Big Island. This bill is a big step in the wrong direction.

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 6:15:55 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
April Pacheco	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 6:40:55 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Anton	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/18/2018 8:15:20 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Sean Higa	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 5:54:40 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Jake J. Watkins	Individual	Oppose	No	

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 8:31:00 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Krystal Baba	Individual	Support	No

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 9:25:33 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathy Kim	Individual	Oppose	No

Comments:

Very Strongly Oppose.

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 9:51:34 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
ASHLEY MATTOS	Individual	Oppose	No	

Comments:

People will be out of jobs if this bill goes through, so many stores & businesses will have to either close down or lay off employees.

From: dshaw@everyactioncustom.com on behalf of Diana M Shaw

<dshaw@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:31 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Diana M Shaw Lanai City, HI 96763

From: jfernandez.rx@everyactioncustom.com on behalf of JACK FERNANDEZ

<jfernandez.rx@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:37 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, JACK FERNANDEZ Honolulu, HI 96826

From: cheryllt@everyactioncustom.com on behalf of Cheryll Aldridge

<cheryIIt@everyactioncustom.com>

Sent: Sunday, March 18, 2018 11:02 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Cheryll Aldridge Honolulu, HI 96821

From: patriciablair@everyactioncustom.com on behalf of Patricia Blair

<patriciablair@everyactioncustom.com>

Sent: Sunday, March 18, 2018 11:21 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Patricia Blair Kailua, HI 96734

From: morenochow@everyactioncustom.com on behalf of Maria Moreno-Chow

<moreonochow@everyactioncustom.com>

Sent: Sunday, March 18, 2018 11:34 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Maria Moreno-Chow Kailua, HI 96734

From: shay.chanhodges@everyactioncustom.com on behalf of Shay Chan Hodges

<shay.chanhodges@everyactioncustom.com>

Sent: Sunday, March 18, 2018 12:33 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Shay Chan Hodges Haiku, HI 96708

From: hbonmaui@everyactioncustom.com on behalf of Helen Barrow

<a href="mailto:everyactioncustom.com>

Sent: Sunday, March 18, 2018 12:44 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Helen Barrow Makawao, HI 96768

From: nihipalim001@everyactioncustom.com on behalf of Michele Nihipali < nihipalim001

@everyactioncustom.com>

Sent: Sunday, March 18, 2018 1:39 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Michele Nihipali Hauula, HI 96717

From: mgagen@everyactioncustom.com on behalf of Marilyn Gagen

<mgagen@everyactioncustom.com>

Sent: Sunday, March 18, 2018 1:44 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Marilyn Gagen Kamuela, HI 96743

From: atrinh3@everyactioncustom.com on behalf of Alan Trinh atrinh3@everyactioncustom.com on behalf of Alan Trinh atrinh3@everyactioncustom.com on behalf of Alan Trinh

@everyactioncustom.com>

Sent: Sunday, March 18, 2018 2:05 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

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Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Alan Trinh Hilo, HI 96720

From: aborrego@everyactioncustom.com on behalf of Alyson Borrego

<aborrego@everyactioncustom.com>

Sent: Sunday, March 18, 2018 2:59 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

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The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Alyson Borrego Honolulu, HI 96816

From: nikaelabusekrus@everyactioncustom.com on behalf of Nikaela Busekrus

<nikaelabusekrus@everyactioncustom.com>

Sent: Sunday, March 18, 2018 5:12 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Nikaela Busekrus Kailua, HI 96734

From: snharris@everyactioncustom.com on behalf of Stephen Harris

<snharris@everyactioncustom.com>

Sent: Sunday, March 18, 2018 5:47 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Stephen Harris Honolulu, HI 96816

From: sgacayan@everyactioncustom.com on behalf of Shani Gacayan

<sgacayan@everyactioncustom.com>

Sent: Sunday, March 18, 2018 6:30 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Shani Gacayan Paauilo, HI 96776

From: dream@everyactioncustom.com on behalf of Martha Yamada

<dream@everyactioncustom.com>

Sent: Sunday, March 18, 2018 7:18 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

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The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Martha Yamada Hilo, HI 96720

From: dgkahalas@everyactioncustom.com on behalf of Tyler Ralston

<dgkahalas@everyactioncustom.com>

Sent: Sunday, March 18, 2018 7:28 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Tyler Ralston Honolulu, HI 96816

From: scstensrud@everyactioncustom.com on behalf of Scott Stensrud

<scstensrud@everyactioncustom.com>

Sent: Sunday, March 18, 2018 7:48 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Scott Stensrud Kapolei, HI 96707

From: pat.fleckconsulting@everyactioncustom.com on behalf of Patricia Fleck

<pat.fleckconsulting@everyactioncustom.com>

Sent: Sunday, March 18, 2018 9:33 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Respectfully Submitted,

Patricia Fleck

Sincerely, Patricia Fleck Kailua Kona, HI 96740

From: jenhausler@everyactioncustom.com on behalf of Jennifer Hausler

<jenhausler@everyactioncustom.com>

Sent: Sunday, March 18, 2018 9:34 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

My husband John, is dying from years of smoking starting at age 14. It took him 8 times before he could finally quit due to the additives in cigarettes.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Jennifer Hausler Pearl City, HI 96782

From: bmih@everyactioncustom.com on behalf of Bryan Mih

<bmih@everyactioncustom.com>

Sent: Sunday, March 18, 2018 10:03 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

As a pediatrician and medical director of the HEALTHY Quit Smoking Program at Kapi'olani Medical Center for Women & Children, I strongly support SB2304 SD2 HD1, which would reduce the use, access, and exposure of tobacco products to youth by prohibiting the issuance of retail tobacco permits and sale of a tobacco p roduct or an electronic smoking device within 500 feet of preschools, public and private K-12 schools and public playgrounds used by youth.

The close proximity of tobacco retailers to areas typically frequented by youth tends to result in easy access to tobacco and electronic smoking devices for our young people. They are exposed to the advertising and other marketing that is geared to make smoking and vaping interesting and acceptable. When tobacco store proximity and presence is strong in the community, it perpetuates social norms about tobacco use. Whether you are keiki walking to school or playground, daily exposure to these promotions suggest that smoking or vaping is acceptable.

Tobacco licensing and zoning laws are effective strategies that impact the density of tobacco retailers, access to tobacco products and location of tobacco retailers. When more tobacco retailers are located in a given area, their overwhelming presence and marketing gives residents and youth in that community the impression that tobacco and electronic smoking devices are available, accessible, and acceptable.

I strongly support changing our tobacco zoning restrictions to create an area between schools and tobacco stores where our youth will be protected from onslaught of advertising and retail availability of tobacco and e-cigarette products.

I respectfully ask that you support SB2304 SD2 HD1 to protect our communities from being disproportionately targeted by tobacco and reduce tobacco-related health disparities.

Sincerely,

Bryan Mih, MD, MPH, FAAP Pediatrician

Sincerely, Bryan Mih Honolulu, HI 96822

From: mauikini@everyactioncustom.com on behalf of Jeny Bissell

<mauikini@everyactioncustom.com>

Sent: Sunday, March 18, 2018 11:01 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Jeny Bissell Kihei, HI 96753

From: rddiaz@everyactioncustom.com on behalf of Ruthie Diaz

 $<\!\!rddiaz@every action custom.com\!\!>$

Sent: Sunday, March 18, 2018 11:02 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Ruthie Diaz Honolulu, HI 96813

From: ropa@everyactioncustom.com on behalf of Denise Ropa

<ropa@everyactioncustom.com>

Sent: Monday, March 19, 2018 7:51 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Denise Ropa Lanai City, HI 96763

From: lisakehl@everyactioncustom.com on behalf of Lisa Kehl

lisakehl@everyactioncustom.com>

Sent: Monday, March 19, 2018 8:38 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Lisa Kehl Honolulu, HI 96822

From: tenayajackman@everyactioncustom.com on behalf of Tenaya Jackman

<tenayajackman@everyactioncustom.com>

Sent: Monday, March 19, 2018 9:09 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Tenaya Jackman Honolulu, HI 96815

From: bbrody1@everyactioncustom.com on behalf of Bev Brody
bbrody1

@everyactioncustom.com>

Sent: Monday, March 19, 2018 9:09 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Bev Brody Kilauea, HI 96754

From: twinkle_toez54@everyactioncustom.com on behalf of Stephanie Moir < twinkle_toez54

@everyactioncustom.com>

Sent: Monday, March 19, 2018 9:27 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Stephanie Moir Lawai, HI 96765

From: tita@everyactioncustom.com on behalf of Charity Kaiwi

<tita@everyactioncustom.com>

Sent: Monday, March 19, 2018 9:32 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

As a mother of two children, the health and well being of my children and other children in the community are my top priority. E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Charity Kaiwi Makawao, HI 96768

From: kahala.howser@everyactioncustom.com on behalf of Kahala Howser

<kahala.howser@everyactioncustom.com>

Sent: Monday, March 19, 2018 9:58 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Kahala Howser Honolulu, HI 96813

From: Jenna22@everyactioncustom.com on behalf of Jenna Lee < Jenna22

@everyactioncustom.com>

Sent: Monday, March 19, 2018 10:20 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Jenna Lee Honolulu, HI 96822

From: levin@everyactioncustom.com on behalf of Mark Levin

<levin@everyactioncustom.com>

Sent: Monday, March 19, 2018 11:02 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Mark Levin Honolulu, HI 96822

From: patti.ornellas@everyactioncustom.com on behalf of Patti Ornellas

<patti.ornellas@everyactioncustom.com>

Sent: Monday, March 19, 2018 12:41 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Patti Ornellas Lihue, HI 96766

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 11:36:21 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Teddy Kim	Individual	Oppose	No

Comments:

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 12:20:29 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kelly King	Individual	Support	No

Comments:

SB-2654-HD-1

Submitted on: 3/19/2018 11:32:05 AM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Jinna Kim	Individual	Oppose	No	

Comments:

Dear House Consumer Protection and Commerce Committee, I am writing in **STRONG OPPOSITION to SB2654 HD1.**

As a retailer taking pride in responsibly selling tobacco products to adults over 21 years of age, I am opposed to cigarette and other tobacco products tax increases of an undetermined amount added to SB 2654 in HD1. This a significant policy aspect added to a bill at this stage of the process.

And, this is bad policy – it is regressive hurting low-income adult tobacco consumers most and will result in numerous unintended consequences, such as consumers finding alternative untaxed sources to buy tobacco products, such as over the Internet.

This will hurt my business and my XX employees!

Even before adding in the cigarette tax, I was opposed to SB 2654 SD2. E-vapor products may present a compelling harm reduction opportunity compared to combustible cigarettes. Tax policy should not dissuade adult consumers from using less harmful alternatives.

And, Hawaii will not generate significant tax revenues from e-vapor products. Many e-vapor products do not follow the traditional tobacco product distribution system so it will be very difficult for the state to ensure collection of revenue.

To whom It may concern,

I oppose bill **SB2654 SD2 HD1**. I've been a heavy smoker of traditional tobacco cigarettes for over a decade and only quit the last 3 years after being introduced to the lifesaving technology which we know now as electronic cigarettes or e-cigarettes. I am no longer out of breath doing minor chores, getting up in the morning coughing, feeling sick and tired. All this due to switching over to e-cigarettes and have been tobacco cigarette free since.

This bill imposes on what we Americans believe in, which is freedom of choice and consumer rights to options. It's easy for a non-smoker to tell us to "just quit" but as a smoker myself it's easier said than done. The best route would be to have options for a healthier & better alternative. A report published by Public Health England (PHE), an agency sponsored by the UK's Department for Health, has concluded that e-cigarettes are 95 percent less harmful than traditional smokes. Also! there's no actual "Tobacco" in e-cigarettes!

Yet our U.S. Government continues to deny and ignore these facts and studies due to potential loss in tobacco tax revenues which each State including Hawaii receives. It's like our Government is more concerned about money than American lives which they can potential save by having an open mindedness to this new life saving technology.

On top of imposing on our rights as Americans, this bill is detrimental to small businesses here in Hawaii. Small businesses will "Go Out of Business" if this bill is pass, there is no doubt in my mind. Thousands will be out of jobs, unable to support their family and will struggle to survive in a high cost living situation here in Hawaii which many Hawaii residents faces each day. It will force small businesses to move to the mainland which is the total opposite of what we've been trying to do here in Hawaii which is to create more jobs and opportunities.

I implore you to re-review these bills relating to e-cigarettes, look pass all the politics/political gains and see the negative impact it will have on many residents here in Hawaii.

Sincerely, Vince Tran

Resident of Honolulu, Hawaii

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 1:28:14 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Wendy Arbeit	Individual	Support	No

Comments:

I stongly support this meaure.

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 1:47:16 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Chris Wells	Individual	Oppose	No

Comments:

From: bob-marion@everyactioncustom.com on behalf of Marion McHenry <bob-

marion@everyactioncustom.com>

Sent: Monday, March 19, 2018 1:52 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

E-cigarette use or vaping among youth and young adults has become a national public health concern. E-cigarettes are now the most popularly used tobacco product among youth and young adults, surpassing cigarettes. While smoking rates in Hawai'i have decreased through the years, ESD use has rapidly increased, threatening significant public health gains made over the last decade. This is particularly concerning because e-cigarettes provide a new way to deliver the addictive drug nicotine. No matter how it is delivered, nicotine exposure can lead to addiction and harm the developing brain. Studies are also finding that ESDs can lead to smoking cigarettes for new users, including kids.

Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and quit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Marion McHenry Princeville, HI 96722

From: kperezhults@everyactioncustom.com on behalf of Kim Perez Hults

<kperezhults@everyactioncustom.com>

Sent: Monday, March 19, 2018 2:25 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Kim Perez Hults Kailua, HI 96734

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 2:37:45 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica Chang	Individual	Oppose	No

Comments:

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 2:52:31 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Dustin Andrews	Individual	Oppose	No

Comments:

Why the hell are you trying to screw over working guys with more damn taxes!?!?

From: cricketlachica@everyactioncustom.com on behalf of Christopher La Chica

<cricketlachica@everyactioncustom.com>

Sent: Monday, March 19, 2018 2:50 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Christopher La Chica Mililani, HI 96789

From: anelalani@everyactioncustom.com on behalf of Lorrie Santos

<anelalani@everyactioncustom.com>

Sent: Monday, March 19, 2018 3:07 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Lorrie Santos Kaneohe, HI 96744

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 3:50:04 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Michael S. Nakasone	Individual	Oppose	No	

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 4:24:00 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lisa Oshiro	Individual	Oppose	No

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 4:35:17 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Vince Yamashiroya, MD	Individual	Support	No

From: kmedeiros@everyactioncustom.com on behalf of Kendra Medeiros

<kmedeiros@everyactioncustom.com>

Sent: Monday, March 19, 2018 4:14 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Kendra Medeiros Lanai City, HI 96763

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 4:48:20 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

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

Comments:

Total garbage! Booooooooo!

From: mkyono@everyactioncustom.com on behalf of Mae Kyono

<mkyono@everyactioncustom.com>

Sent: Monday, March 19, 2018 4:52 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Mae Kyono Honolulu, HI 96826

<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 4:59:53 PM

Testimony for CPC on 3/20/2018 2:00:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Garrick Aylesworth	Individual	Oppose	Yes

Comments:

I oppose this



<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 6:13:55 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
P Kuromoto	Individual	Oppose	No	

Comments:

This is a completely misguided and harmful legislation that will kill local businesses.





TESTIMONY OF TINA YAMAKI PRESIDENT RETAIL MERCHANTS OF HAWAII March 20, 2018

Re: SB 2654 SD2 HD 1 RELATING TO CHAPTER 245, HAWAII REVISED STATUTES.

Good afternoon Chair Takumi and members of the House Committee on Consumer Protection and Commerce. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii (RMH) is a statewide not-for-profit trade organization committed to supporting the retail industry and business in general in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

The Retail Merchants of Hawaii opposes SB 2654 SD2 HD1 that makes it unlawful to ship tobacco products to anyone other than a licensee, and as well as increasing the license fee for wholesalers or dealers and the retail tobacco permit fee.

Many retailers statewide are already operating on a thin margin and face stiff competition from not only other brick and mortar retailers but online sales as well. By increasing the taxation and fees on these products, small businesses will stand to be hurt as they would have to increase their upfront cost of stocking electronic smoking devices and cigarettes. Many of the businesses that sell electronic cigarettes and e-liquid are small, locally owned shops that will be hit hard by the tax increase. There is only so much the retailer can pass on to the customer before no longer being price competitive. This higher cost of doing business may also force some stores to close, leaving people out of work.

We ask that this committee hold this measure.

Again mahalo for this opportunity to testify.



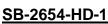
<u>SB-2654-HD-1</u> Submitted on: 3/19/2018 9:15:49 PM

Testimony for CPC on 3/20/2018 2:00:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Vicki	Individual	Support	No	

Comments:

Smoking is a preventable health risk so the strategy of making it less appealing is a good one and seems to be working. E-cigarettes should be treated and taxed as cigarettes since they also carry health risk.



<u>SB-2654-HD-1</u> Submitted on: 3/20/2018 7:43:40 AM

Testimony for CPC on 3/20/2018 2:00:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Rebecca Powell	Individual	Oppose	No



Testimony Presented Before the House Legislative Session On Health Monday, March 19, 2018

By Wilson Datario

SB 2654 - RELATING TO CHAPTER 245, HAWAII REVISED STATUTES

TO: House Committee on Consumer Protection & Commerce Chairs and Members,

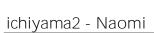
I am writing to express my fullest **support** for SB 2654 and **encourage** you to vote for this bill that would regulate ESDs by applying a tax on disposable ESDs and e-liquids and by requiring retailers and wholesalers to be permitted and licensed. ESDs were deemed as tobacco products by the FDA in 2016, but they remain unregulated in Hawai'i and are the only tobacco product without a tobacco tax in the state. This bill would also limit online sales to licensed sellers.

Thank you for allowing me to testify.

Mahalo,

Wilson Datario, CPhT

Student Pharmacist, Class of 2020 DKICP Tobacco Prevention Project Co-Chair The Daniel K. Inouye College of Pharmacy University of Hawaii at Hilo 200 W. Kawili St. Hilo, Hawaii 96720 Email: wdatario@hawaii.edu





From: mrahmer@everyactioncustom.com on behalf of Mealani Rahmer

<mrahmer@everyactioncustom.com>

Sent: Tuesday, March 20, 2018 10:00 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Follow Up Flag: Follow up Flag Status: Flagged

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting.

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Without regulation, e-cigarette manufacturers will continue to aggressively market their products by using young adults and celebrities as endorsers, glamorizing its use, promoting deep discounts, and offering popular local e-liquid flavors such as Kona coffee, Maui mango, and pineapple.

Now that the FDA has deemed ESDs as tobacco products, I urge the legislature to regulate and tax disposable ecigarettes and e-liquid the same way as other tobacco products. ESDs are the only tobacco product without a tobacco tax and increasing the price is a proven strategy that discourages access to these products. In addition, a portion of these revenues should be dedicated to tobacco prevention and guit programs.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Mealani Rahmer Pahoa, HI 96778



From: john.s.ishoda@everyactioncustom.com on behalf of John Ishoda

<john.s.ishoda@everyactioncustom.com>

Sent: Tuesday, March 20, 2018 9:06 AM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Follow Up Flag: Follow up Flag Status: Flagged

Dear House Committee on Consumer Protection and Commerce,

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, John Ishoda Honolulu, HI 96817



From: memiyashiro@everyactioncustom.com on behalf of Ellie Kelley-Miyshiro

<memiyashiro@everyactioncustom.com>

Sent: Monday, March 19, 2018 10:18 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Follow Up Flag: Follow up Flag Status: Flagged

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

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This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco laws.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee.

Sincerely, Ellie Kelley-Miyshiro Honolulu, HI 96821



From: cookshi@everyactioncustom.com on behalf of Patti Cook

<cookshi@everyactioncustom.com>

Sent: Monday, March 19, 2018 7:38 PM

To: CPCtestimony

Subject: Strong Support of SB2654 SD2 HD1, Relating to Chapter 245, Hawaii Revised Statutes

Follow Up Flag: Follow up Flag Status: Flagged

Dear House Committee on Consumer Protection and Commerce,

The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair Members of the House Committee on Consumer Protection and Commerce

Hrg: March 20, 2018 at 2:00pm at Capitol Room 329

I strongly support SB2654 SD2 HD1 which would regulate disposable electronic smoking devices (ESDs) and e-liquids in the same way that tobacco products are regulated through taxation, online shipment restrictions, and licensing and permitting.

This bill will also require a permitting and licensing which will allow the state to know who is selling e-cigarettes in Hawai'i and work with these merchants to educate and enforce current tobacco and vaping laws and restrictions such as barring the sale of these products to those under 21 years of age.

As a Waimea/Kamuela resident, I am very alarmed by the sale of vaping products near 4 schools including two public schools. I am further alarmed by the number of incidents reports by Waimea Middle School where students have brought vaping products to school to share with friends...and have been suspended as a result.

There is clearly a misconception of "no harm" -- and this is coupled with what seems intentional targeting of kids with fruity and other "flavors" (bubblegum!?) aimed at sucking in young adults.

While there have not been nearly as much research as exists on tobacco and nicotine, there are scientific studies by the CDC and other reputable organizations indicating health concerns.

I strongly support SB2654 SD2 HD1 and ask you to pass this out of committee. Thank you for your time and consideration of the long term well-being of our children.

Patti Cook (808) 937-2833 Waimea/Kamuela, Island of Hawai'i

Sincerely, Patti Cook Kamuela, HI 96743