

STAND. COM. REP. NO.

1047

Honolulu, Hawaii

MAR 01 2019

RE: S.B. No. 1016
S.D. 2

Honorable Ronald D. Kouchi
President of the Senate
Thirtieth State Legislature
Regular Session of 2019
State of Hawaii

Sir:

Your Committee on Ways and Means, to which was referred S.B. No. 1016, S.D. 1, entitled:

"A BILL FOR AN ACT RELATING TO SALES OF TOBACCO,"

begs leave to report as follows:

The purpose and intent of this measure is to regulate the sale of tobacco products.

Specifically, this measure:

- (1) Prohibits the issuance and renewal of a retail tobacco permit for, and the sale of a tobacco product or an electronic smoking device at, a place of business within seven hundred fifty feet of a preschool, school, or public playground; and
- (2) Codifies the Department of Taxation's administrative rules that establish good cause for which the department may suspend, revoke, or decline to renew a retail tobacco permit.

Your Committee received written comments in support of this measure from Blue Zones Project, Hawaii COPD Coalition, Hawaii Public Health Institute, Oahu County Committee on Legislative Priorities of the Democratic Party of Hawaii, and six individuals.



Your Committee received written comments in opposition to this measure from ABC Stores; Hawaii Cigar Association; Hawaii Food Industry Association; Hawaii Petroleum, LLC; Hawaii Smokers Alliance; Hi Lyfe Vaporz, LLC; Irie Hawaii Stores; Island Energy; Kauai Cigar Company; Retail Merchants of Hawaii; Volcano Fine Electronic Cigarettes; and numerous individuals.

Your Committee received written comments on this measure from the Department of Education, Department of Health, and Department of Taxation.

Your Committee finds that experimental smoking among high school-aged minors increases when tobacco retailers are located in close proximity to schools. Your Committee also finds that the establishment of tobacco retail buffer zones around schools and other locations where children gather will reduce tobacco-related health disparities and reduce youth tobacco use, particularly the use of electronic smoking devices.

Your Committee notes that the Department of Taxation has requested that the measure take effect on December 1, 2020, to coincide with the annual December 1 renewal date of retail tobacco permits and to allow the department sufficient time to make the necessary changes to its permit forms and computer system.

Your Committee has amended this measure by:

- (1) Clarifying that the age restriction on the sale of tobacco products applies to sales to persons under twenty-one years of age;
- (2) Clarifying that a fine of \$500 applies to the first offense of selling a tobacco product or electronic smoking device within a prohibited location;
- (3) Clarifying that an existing retail tobacco permit issued for a business located within a tobacco retail buffer zone shall not be renewed, rather than shall be void;
- (4) Changing the effective date to July 1, 2050, to facilitate further discussion on the measure; and



- (5) Making technical nonsubstantive changes for purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Ways and Means that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 1016, S.D. 1, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 1016, S.D. 2.

Respectfully submitted on
behalf of the members of the
Committee on Ways and Means,

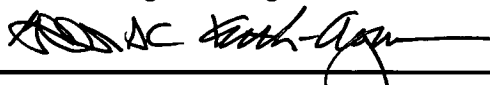


DONOVAN M. DELA CRUZ, Chair



The Senate
Thirtieth Legislature
State of Hawai'i

Record of Votes
Committee on Ways and Means
WAM

Bill / Resolution No.:* SB 1016, SD 1	Committee Referral: CPH/JDC, WAM	Date: 2/21/19		
<input type="checkbox"/> The Committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is: <input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
DELA CRUZ, Donovan M. (C)	X			
KEITH-AGARAN, Gilbert S.C. (VC)	X			
ENGLISH, J. Kalani				X
HARIMOTO, Breene				X
INOUYE, Lorraine R.	X			
KAHELE, Kaiali'i				X
KANUHA, Dru Mamo	X			
KIDANI, Michelle N.	X			
MORIWAKI, Sharon Y.	X			
RIVIERE, Gil				X
SHIMABUKURO, Maile S.L.	X			
TANIGUCHI, Brian T.	X			
FEVELLA, Kurt	X			
TOTAL	9			4
Recommendation: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature: 				
Distribution: Original Yellow Pink Goldenrod File with Committee Report Clerk's Office Drafting Agency Committee File Copy				

*Only one measure per Record of Votes