

Honolulu, Hawaii

MAR 13 , 2020

RE: S.B. No. 2227
S.D. 2
H.D. 1

Honorable Scott K. Saiki
Speaker, House of Representatives
Thirtieth State Legislature
Regular Session of 2020
State of Hawaii

Sir:

Your Committee on Consumer Protection & Commerce, to which was referred S.B. No. 2227, S.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO ELECTRONIC SMOKING PRODUCTS,"

begs leave to report as follows:

The purpose of this measure is to:

- (1) Prohibit any person, other than a licensed tobacco retailer, from receiving any shipment of e-liquids or electronic smoking devices;
- (2) Tax and regulate e-liquid products and electronic smoking devices in the same manner as other tobacco products;
- (3) Increase the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products;
- (4) Increase the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products;



- (5) Fund health education, prevention, and cessation programs having to do with the risks and dangers of the use of electronic smoking devices by youth; and
- (6) Repeal various statutory provisions relating to electronic smoking devices made obsolete by this measure.

Your Committee received testimony in support of this measure from the Department of Health; Department of Taxation; Hawaii Youth Services Network; Hawaii Substance Abuse Coalition; Blue Zones Project Hawaii; Hawaii Pacific Health; American Lung Association; We Are One, Inc.; Kapiolani Smokefree Families Program at Kapiolani Medical Center for Women and Children; University of Hawaii Student Health Advisory Council; Pediatric Therapies Hawaii; Hawaii State Teachers Association; Coalition for a Drug-Free Hawaii; Hawaii Community Foundation; Hui No Ke Ola Pono; West Hawaii Community Health Center; The Friends of Kamalani and Lydgate Park; Hawaii Primary Care Association; Emma Whitney Photography; Coalition for a Tobacco-Free Hawaii; Hawaii Dental Association; Hawaii Children's Action Network Speaks!; American Heart Association; American Cancer Society Cancer Action Network; numerous individuals; and a petition with numerous individuals. Your Committee received testimony in opposition to this measure from VOLCANO Fine Electronic Cigarettes; Irie Hawaii; Hawaii Smokers Alliance; HI Lyfe Vaporz, LLC; Retail Merchants of Hawaii; and numerous individuals. Your Committee received comments on this measure from the Department of the Attorney General, Tax Foundation of Hawaii, Hawaii Food Industry Association, and two individuals.

Your Committee finds that tobacco use is the single most preventable cause of disease, disability, and death in the United States. Your Committee further finds that the rapid growth of the electronic smoking device industry necessitates additional regulations to protect consumers. Your Committee also finds that electronic smoking devices and e-liquids should be taxed to encourage users of e-liquids to quit, sustain cessation, prevent youth initiation, and reduce consumption.

Your Committee has amended this measure by:

- (1) Deleting the prohibition on receiving any shipment of e-liquids or electronic smoking devices;



- (2) Establishing the offense of unlawful shipment of e-liquids and electronic smoking devices;
- (3) Clarifying that the definition of "tobacco products" includes electronic smoking devices and their cartridges and other component parts regardless of whether the electronic smoking devices, cartridges, and other component parts contain e-liquids; and
- (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Consumer Protection & Commerce that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 2227, S.D. 2, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 2227, S.D. 2, H.D. 1, and be referred to your Committee on Judiciary.

Respectfully submitted on
behalf of the members of the
Committee on Consumer
Protection & Commerce,



ROY M. TAKUMI, Chair



State of Hawaii
House of Representatives
The THIRTIETH Legislature

HSCR 1100-20

Record of Votes of the Committee on Consumer Protection & Commerce

Bill/Resolution No.: SB 2227, SD 2	Committee Referral: CPC, JUR FIN	Date: 3/11/20		
<input type="checkbox"/> The committee is reconsidering its previous decision on the measure.				
The recommendation is to: <input type="checkbox"/> Pass, unamended (as is) <input checked="" type="checkbox"/> Pass, with amendments (HD) <input type="checkbox"/> Hold <input type="checkbox"/> Pass short form bill with HD to recommit for future public hearing (recommit)				
CPC Members	Ayes	Ayes (WR)	Nays	Excused
1. TAKUMI, Roy M. (C)	✓			
2. ICHIYAMA, Linda (VC)	✓			
3. AQUINO, Henry J.C.				✓
4. BELATTI, Della Au				✓
5. CABANILLA ARAKAWA, Rida	✓			
6. CACHOLA, Romy M.	✓			
7. HAR, Sharon E.	✓			
8. KONG, Sam Satoru		✓		
9. MIZUNO, John M.	✓			
10. ONISHI, Richard H.K.	✓			
11. MATSUMOTO, Lauren				✓
TOTAL (11)	7	1	0	3
The recommendation is: <input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted If joint referral, _____ did not support recommendation. committee acronym(s)				
Vice Chair's or designee's signature: <u><i>Linda Ichizawa</i></u>				
Distribution: Original (White) – Committee Duplicate (Yellow) – Chief Clerk's Office Duplicate (Pink) – HMSO				