DAVID Y. IGE GOVERNOR

JOSH GREEN M.D. LT. GOVERNOR



RONA M. SUZUKI DIRECTOR OF TAXATION

DAMIEN A. ELEFANTE DEPUTY DIRECTOR

STATE OF HAWAII DEPARTMENT OF TAXATION

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To: The Honorable Roy M. Takumi, Chair;

The Honorable Linda Ichiyama, Vice Chair;

and Members of the House Committee on Consumer Protection & Commerce

From: Rona M. Suzuki, Director

Department of Taxation

Re: H.B. 2346, Relating to Tobacco Products

Date: Thursday, January 30, 2020

Time: 2:30 P.M.

Place: Conference Room 329, State Capitol

The Department of Taxation (Department) supports H.B. 2346. H.B. 2346 makes multiple amendments to chapter 245, Hawaii Revised Statutes (HRS). These amendments will enable improved regulation of the sale of electronic smoking products.

The measure has an effective date of January 1, 2021. The Department can implement the provisions of this measure with the current effective date.

The Department appreciates the increase in license fees in Section 245-2, HRS, and permit fees in Section 245-2.5, HRS. In most cases, the current fee amount does not cover the cost to the State to issue the license.

The Department recommends the following technical, non-substantive amendments:

- 1. On page 11, line 1, the section number should be added (i.e., <u>SECTION 5.</u> Section 245-2.5, Hawaii Revised Statutes, is amended...).
- 2. It appears that the only amendment in Section 6 is the deletion of the word "and" on page 15, line 18. This "and" should not be deleted as it joins subsection (5) to subsection (6).

Thank you for the opportunity to provide testimony in support of this measure.



STATE OF HAWAI'I

DEPARTMENT OF EDUCATION Hana High & Elementary School P.O. BOX 128 HANA, HAWAI 1 96713

Aloha.

I have been a school counselor in rural Maui for almost 20 years. The past 2-3 years there has been a significant rise in electronic cigarette use by students in my school as young as 3rd and 4th grade. As you know there are devastating consequences to beginning this habit as children and young adults. As a school and community we are doing all we can to educate and prevent this from happening including parent meetings, prevention presentations, counseling, etc, however, we are no match for big-vape companies with unlimited money for advertising to children on social media.

Our community is predominantly Native Hawaiian, data shows that our people have the highest use rate in our state. Something more has to be done to turn the tide away from these harmful devices.

As a counselor, as a mother, as a very concerned citizen, please do all you can to ensure regulation so our children do NOT have access to these devices. This includes a flavor ban (which will directly impact children) and online sale regulation, I am terrified about their future health and happiness if this continues unregulated.

Me ka mahalo.

Moani Aiona, School Counselor

The Hawaii State Department of Education (HIDOE) and its schools do not discriminate on the basis of race, sex, age, color, national origin, religion, or disability in its programs and activities. Please direct inquiries regarding HIDOE nondiscrimination policies as follows:

ADA/Section 504 Inquiries	Title VI, Title IX, and other inquires
Krysti Sukita, ADA/504 Specialist	Anne Marie Puglisi, Director
Civil Rights Compliance Office	Civil Rights Compliance Office
Hawaii State Department of Education	Hawaii State Department of Education
P.O. Box 2230	P.O. Box 2230
Honolulu, Hawaii 96804	Honolulu, Hawaii 96804
(808) 586-3322 or relay	(808) 586-3322 or relay
crco@notes.k12.hi.us	crco@notes.k12.hi.us



Wednesday, January 29, 2020 State Capitol, House Conference Room 329

To: Representative Takumi, Chair

House Committee on Consumer Protection & Commerce

From: Maile Ketelsen, Program Coordinator

Kapi'olani Smokefree Families: Tobacco & Nicotine Cessation Program

Re: Strong Support of HB 2346, Relating to Tobacco Products

Kapi'olani Smokefree Families, the tobacco & nicotine cessation program at Kapi'olani Medical Center for Women & Children, **strongly supports HB 2346** to regulate shipment of tobacco products, include e-liquid and electronic smoking devices under current tobacco tax laws, increase tobacco license and retail permit fees, and allocate a portion of funds from tobacco taxes to fund health education and electronic smoking prevention programs for youth.

As a hospital-based tobacco and nicotine cessation program, we see the multitude of ways that these tobacco products impact the health of families in Hawai'i. We are very concerned that these electronic smoking devices are creating a generation of keiki that are hooked on nicotine. While there is decade's worth of research on smoking cessation, there is very little research on how to help our adolescents to quit using these e-cigarette products. It is crucial that we focus on prevention by taking measures such as creating tax parity between ESDs and cigarette products as research has shown taxes to be effective in lower tobacco use, regulating online sales to keep these products out of the hands of minors, and funding health programs to deliver clear messages to youths about the risks of ESDs.

In the best interest of our local youth and families, we would like to request your **support of HB 2346**. Thank you for the opportunity to provide testimony on this measure.



American Cancer Society Cancer Action Network 2370 Nu`uanu Avenue Honolulu, Hawai`i 96817 808.432.9149 www.acscan.org

House Committee on Consumer Protection and Commerce Representative Roy Takumi, Chair Representative Linda Ichiyama, Vice Chair

HB 2346 – RELATING TO TOBACCO PRODUCTS

Cory Chun, Government Relations Director – Hawaii Pacific American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in support of HB 2346, which establishes the unlawful shipment of tobacco products, applies the tax on other tobacco products to electronic smoking devices and e-liquids, increases the license and permit fees for wholesalers, dealers, and retailers engaged in the sale of tobacco products and allocates of portion of funds collected from excise taxes on tobacco products to tobacco control programs.

According to data from the Centers for Disease Control and Prevention and the Food and Drug Administration's National Youth Tobacco Survey, the percentage of high school-age children reporting past 30-day use of e-cigarettes rose by 135% between 2017 and 2019.

The following statistics highlight the problem we are facing.

- In the United States, youth are more likely than adults to use e-cigarettes.
- In 2019, more than 5 million U.S. middle and high school students used ecigarettes in the past 30 days, including 10.5% of middle school students and 27.5% of high school students.
- In 2017, 2.8% of U.S. adults were current e-cigarette users.
- In 2015, among adult e-cigarette users overall, 58.8% also were current regular cigarette smokers, 29.8% were former regular cigarette smokers, and 11.4% had never been regular cigarette smokers.
- Among current e-cigarette users aged 45 years and older in 2015, most were either current or former regular cigarette smokers, and 1.3% had never been cigarette smokers. In contrast, among current e-cigarette users aged 18–24 years, 40.0% had never been regular cigarette smokers.

Tobacco retail licensing is a policy tool that enables the state to regulate businesses that sell tobacco products to ensure they comply with tobacco laws by holding retailers accountable and actively enforcing tobacco youth access laws with strong retailer

penalties that include suspension and revocation for non-compliant retailers. Strong tobacco retail license laws are part of a comprehensive strategy to reduce tobacco use among youth and young adults. ACS CAN supports updating the state's licensing law and fees and we recommend revenues generated from the license fees be used for the active enforcement of tobacco control laws and support tax parity for all tobacco products.

Thank you for the opportunity to provide testimony on this important matter.



STATE OF HAWAII DEPARTMENT OF HEALTH

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

Testimony in SUPPORT of H.B. 2346 RELATING TO TOBACCO PRODUCTS

REPRESENTATIVE ROY M. TAKUMI, CHAIR
HOUSE COMMITTEE ON CONSUMER PROTECTION AND COMMERCE
Hearing Date: January 30, 2020 Room Number: 329

- 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 House Bill 2346 (H.B. 2346) as a measure to
- 5 protect the public's health, especially youth, from the harmful effects of tobacco use and
- 6 initiation. The bill makes unlawful the shipping of e-liquid and electronic smoking devices
- 7 (ESDs) to consumers except for licensed wholesalers or dealers. H.B. 2346 also includes
- 8 e-liquid and ESDs in the definition of tobacco products, adds an excise tax, and increases the fee
- 9 for the required permits and licenses for retailers and wholesalers. This measure also clarifies
- the definition of the term "value" to mean "fair market value at the time of the offense," specifies
- cut-offs for class C felonies or misdemeanors, and requires applicants for retail tobacco permits
- to specify whether each place of business sells e-liquid or ESDs. The Department defers to
- 13 DOTAX for implementation, and to the AG regarding the enforcement of the shipping
- 14 regulations.
- Since the U.S. Food and Drug Administration (FDA) and Surgeon General declaration
- of the unprecedented youth e-cigarette epidemic in the fall of 2018, youth use continues to rise.
- By 2019, 27.5% of high school students said they vaped compared to 20.8% in 2018¹. In total

¹ Wang TW, Gentzke AS, Creamer MR, et al. Tobacco Product Use and Associated Factors Among Middle and High School Students — United States, 2019. MMWR Surveill Summ 2019;68(No. SS-12):1–22. DOI: http://dx.doi.org/10.15585/mmwr.ss6812a1

- 1 numbers, 4.1 million high school youth and 1.2 million middle school youth said they currently
- 2 use e-cigarettes². Youth who use e-cigarettes have been casualties in the outbreak of
- 3 e-cigarette, or vaping, product use associated lung injury (EVALI) nationwide, and nationally
- 4 by January 21, 2020 resulted in 2,711 confirmed hospitalizations and 60 deaths³.

The need for state action to protect youth from the promotion of ESDs is imperative. On January 2, 2020, the U.S. Food and Drug Administration (FDA) announced the agency was prioritizing the enforcement of their existing authority only on flavored cartridge based ESDs products. This limited enforcement excludes menthol, disposable, tank system, and refillable devices. All of the ESD products on sale today are considered pre-market, that is, these are being sold with no prior FDA testing and approval.

This limited enforcement does not do enough to protect youth since they report using a variety of ESD products including refillable devices.⁴ Moreover, according to a national study reported in the American Journal of Preventive Medicine, nearly half of youth smokers (42%) initiated with a menthol product⁵ indicating that the federal mandate exempts products that remain highly enticing to youth. States have an opportunity to act to address these gaps in policy.

The federal administration raised the national legal age of sale of all tobacco products, including ESDs, from 18 to 21 years of age. While such legislation is meant to prevent youth access and initiation of tobacco, the acceleration of unregulated online tobacco product sales has created a dangerous loophole, 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. According to the Internet Tobacco Vendors Study (ITV),

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² Ibid.

³ Centers for Disease Control and Prevention, Office on Smoking and Health. Outbreak of Lung Injury Associated with the Use of E-cigarette, or Vaping, Products, retrieved January 28, 2020 from https://www.cdc.gov/tobacco/basic information/e-cigarettes/severe-lung-disease.html#latest-outbreak-information

⁴ Cullen KA, Gentzke AS, Sawdey MD, et al. e-Cigarette Use Among Youth in the United States, 2019. *JAMA*. Published online November 05, 2019. doi:10.1001/jama.2019.18387: https://jamanetwork.com/journals/jama/fullarticle/2755265

⁵ Cohn, A. M., Rose, S. W., Dsilva, J., & Villanti, A. C. (2019). Menthol Smoking Patterns and Smoking Perceptions Among Youth: Findings From the Population Assessment of Tobacco and Health Study. *American Journal of Preventive Medicine*, *56*(4). doi: 10.1016/j.amepre.2018.11.027

- supported by the National Cancer Institute and the United States Food and Drug Administration (USFDA) Center for Tobacco Products, minors were successful in buying ESDs online 93
- 3 percent of the time despite age restrictions. Another study found that ESDs were often shipped
- 4 from internet vendors without instructions or health warnings. Due to the easy access for
- 5 minors through online marketing, public health researchers recommend more vigorous policies
- 6 to prohibit sales to minors.^{6,7}

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The Department supports H.B. 2346 as a strong and comprehensive measure that addresses the key regulatory components that can reduce access to ESDs among Hawaii's youth and young adults and encourage users to quit.

Offered Amendments:

- The Department has attached, suggested amendments for a House Draft 1. The explanation of the offered amendments go as follows:
- Section 2, beginning page 6 line 16, to page 7 line 22, replace the term "person" in subsections

 (a) through (f) of the bill with the phrase "person or entity" so the subsections read as follows:
 - (a) A person <u>or entity</u> commits the offense of unlawful shipment of tobacco products if the person or entity:

17 * * *

(f) Notwithstanding the existence of other remedies at law, any person <u>or entity</u>
that purchases, uses, controls, or possesses any tobacco products for which the
applicable taxes imposed under title 14 have not been paid, shall be liable for the
applicable taxes, plus any penalty and interest as provided for by law.

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.

- Subsection (b)(1), page 7, lines 3 to 6, delete reference to HRS section 245-62 from the new
- 2 offense of unlawful shipment of tobacco products.
- 3 Page 9, line 1 remove strikethrough from, "electronic."
- 4 Thank you for the opportunity to testify.

A BILL FOR AN ACT

RELATING TO TOBACCO PRODUCTS.

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

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

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H.B. NO. 2346 H.D. 1

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The legislature additionally finds that electronic smoking
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    devices, also known as e-cigarettes, are battery-operated
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    products designed to deliver nicotine, flavor, and other
    chemicals to the user by turning chemicals including highly
4
    addictive nicotine into an aerosol or vapor that is inhaled by
5
    the user. Consumers may choose from varying strengths of e-
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7
    liquid nicotine as well as liquids consisting of different
    flavors.
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9
         The electronic smoking device industry, including the
10
    production of e-liquid, is growing rapidly. The Surgeon
11
    General first issued a warning in 2016 about the dangers of
12
    these products, data has shown historic rise in use by youth and
13
    young adults. According to the 2016 report from the Surgeon
    General, e-cigarette use amongst the nation's youth and young
14
    adults has become a major public health concern. The Surgeon
15
    General's report noted that e-cigarette use has increased
16
    considerably in recent years, growing an astounding nine hundred
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    per cent among high school students from 2011 to 2015. In a
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    2018 study conducted by the National Institute on Drug Abuse,
19
    the use of electronic smoking devices among high school seniors
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    increased nationally from 27.8 per cent to 37.3 per cent in a
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twelve-month period. The increase translates to 1.3 million

- 1 more teens using electronic smoking devices in a single year.
- 2 On December 18, 2018, the United States Surgeon General made the
- 3 unprecedented move of classifying the danger of youth usage of
- 4 electronic smoking devices as an epidemic.
- 5 E-cigarette use among youth and young adults is also
- 6 strongly associated with the use of other tobacco products,
- 7 including combustible tobacco products. Toxicologists have also
- 8 warned that e-liquids pose significant risks to public health,
- 9 particularly to children. According to the Surgeon General's
- 10 report, if the contents of refill cartridges or bottles are
- 11 consumed, ingestion of e-liquids containing nicotine can cause
- 12 acute toxicity and possibly death. The Surgeon General's report
- 13 also found that there are numerous policies and practices that
- 14 can be implemented at the state and local levels to address
- 15 electronic smoking device use among youth and young adults,
- 16 including preventing access to e-cigarettes by youth,
- 17 significant increases in tax and price of e-cigarettes, retail
- 18 licensure, and regulation of e-cigarette marketing.
- 19 The legislature additionally finds that the rapid growth of
- 20 the electronic smoking device industry, including retail
- 21 businesses selling electronic smoking devices or e-liquid,
- 22 necessitates further regulations to protect consumers, such as

- 1 requiring retailers of e-liquid to obtain a retail tobacco
- 2 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 by the federal government as
- 10 tobacco products. Furthermore, tobacco products other than
- 11 cigarettes are currently taxed at a lower rate than cigarettes,
- 12 even though their use carries similar health risks. Research
- 13 has shown that increasing cigarette prices, such as through
- 14 cigarette taxes, tends to reduce the rate of smoking by adult
- 15 and youth smokers. However, the legislature is concerned that
- 16 as the price of cigarettes increases, smokers may purchase less
- 17 expensive tobacco products, such as electronic smoking devices
- 18 or e-liquids.
- 19 Finally, the legislature concludes that there needs to be a
- 20 tax on e-liquids and electronic smoking devices and taxing these
- 21 products as other tobacco products is the most equitable way to
- 22 do so. Imposing a tax on e-liquids and electronic smoking

1	devices w	ill a	also encourage users of e-liquids to quit, sustain		
2	cessation, prevent youth initiation, and reduce consumption				
3	among those who continue to use them.				
4	The	purpo	oses of this Act are to:		
5	(1)	Esta	ablish the offense of unlawful shipment of tobacco		
6		proc	ducts;		
7	(2)	Incl	ude e-liquid and electronic smoking devices within		
8		the	definition of "tobacco products", as used in the		
9		ciga	arette tax and tobacco tax law, thereby:		
10		(A)	Subjecting e-liquid and electronic smoking		
11			devices to the excise tax on tobacco products;		
12		(B)	Requiring retailers of tobacco products to obtain		
13			a retail tobacco permit to sell, possess, keep,		
14			acquire, distribute, or transport tobacco		
15			products;		
16		(C)	Prohibiting persons from engaging in the business		
17			of a wholesaler or dealer of tobacco products		
18			without first obtaining a license from the		
19			department of taxation; and		
20		(D)	Applying other requirements of chapter 245,		
21			Hawaii Revised Statutes;		

1	(3)	Increase the license fee for persons engaged as a
2		wholesaler or dealer of cigarettes and tobacco
3		products;
4	(4)	Increase the retail tobacco permit fee for retailers
5		engaged in the retail sale of cigarettes and tobacco
6		products;
7	(5)	Fund health education and prevention programs about
8		the risks and dangers of the use of electronic smoking
9		devices for youth; and
10	(6)	Repeal various statutory provisions relating to
11		electronic smoking devices.
12	SECT	ION 2. Chapter 245, Hawaii Revised Statutes, iș
13	amended by	y adding a new section to be appropriately designated
14	and to rea	ad as follows:
15	" <u>§24</u> !	5- Unlawful shipment of tobacco products; penalty;
16	reports;	liability for unpaid taxes. (a) A person or entity
17	commits th	ne offense of unlawful shipment of tobacco products if
18	the person	n or entity:
19	(1)	Is engaged in the business of selling tobacco
20		products; and

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1
         (2)
              Ships or causes to be shipped any tobacco products to
2
              a person or entity in this State that is not a
3
              licensee under this chapter.
              This section shall not apply to the shipment of
4
    tobacco products if any of the following conditions is met:
5
6
         (1)
              The tobacco products are exempt from taxes as provided
7
              by section 245-3(b); or
8
         (2)
              All applicable Hawaii taxes on the tobacco products
              are paid in accordance with the requirements of this
9
10
              chapter.
11
              Unlawful shipment of tobacco products is a class C
12
    felony if the person or entity knowingly ships or causes to be
    shipped tobacco products with a value of $10,000 or more in
13
14
    violation of subsection (a).
         (d) Unlawful shipment of tobacco products is a misdemeanor
15
16
    if the person or entity knowingly ships or causes to be shipped
    tobacco products with a value of less than $10,000 in violation
17
18
    of subsection (a).
         (e) For purposes of this section, a person or entity is a
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    licensee if the person or entity's name appears on a list of
21
    authorized licensees published by the department.
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         (f) Notwithstanding the existence of other remedies at
    law, any person or entity that purchases, uses, controls, or
2
    possesses any tobacco products for which the applicable taxes
3
4
    imposed under title 14 have not been paid, shall be liable for
    the applicable taxes, plus any penalty and interest as provided
5
6
    for by law.
7
         (g) For the purpose of this section:
         ""Value" means the fair market value at the time of the
8
9
    offense."
         SECTION 3. Section 245-1, Hawaii Revised Statutes, is
10
    amended as follows:
11
12
              By adding three new definitions to be appropriately
    inserted and to read as follows:
13
         ""E-liquid" means any liquid or like substance, which may
14
15
    or may not contain nicotine, that is designed or intended to be
16
    used in an electronic smoking device, whether or not packaged in
    a cartridge or other container. E-liquid shall not include
17
18
    prescription drugs; medical cannabis or manufactured cannabis
19
    products pursuant to chapter 329D; or medical devices used to
20
    aerosolize, inhale, or ingest prescription drugs, including
    manufactured cannabis products manufactured or distributed in
21
    accordance with section 329D-10(a).
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"Electronic smoking device" means any electronic product,
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2
    or part thereof, that can be used by a person to simulate
    smoking in the delivery of nicotine or any other substance,
3
    intended for human consumption, through inhalation of vapor or
4
    aerosol from the product. Electronic smoking device includes
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6
    but is not limited to an electronic cigarette, electronic cigar,
7
    electronic cigarillo, electronic pipe, electronic hookah, vape
    pen or related product, and any cartridge or other component
8
9
    part of the device or product.
10
         "Smoke" or "smoking" means inhaling, exhaling, burning,
11
    carrying, or possessing any lighted or heated tobacco product,
    or similar substance intended for human consumption, including
12
    the use of an electronic smoking device that creates an aerosol
13
14
    or vapor, in any manner or in any form."
              By amending the definition of "tobacco products" to
15
    read as follows:
16
         ""Tobacco products" means [tobacco]:
17
        (1)
              Tobacco in any form, other than cigarettes or little
18
19
              cigars, [that is prepared or intended for consumption
20
              or for personal use by humans, including large cigars
21
              and any substitutes thereof other than eigarettes that
22
              bear the semblance thereof, snuff, chewing or
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              smokeless tobacco, and smoking or pipe tobacco.] that
              is intended for human consumption, or is likely to be
2
              consumed whether smoked, heated, chewed, absorbed,
3
              dissolved, inhaled, or ingested by other means;
4
         (2) E-liquid; or
5
6
              Electronic smoking device.
7
    Tobacco products includes but is not limited to large cigars and
8
    any substitutes thereof other than cigarettes that bear the
9
    semblance thereof, pipe tobacco, chewing or smokeless tobacco,
    snuff, snus, e-liquid, electronic smoking device, any cartridge
10
11
    or other component part of the device or product, and related
   products."
12
         SECTION 4. Section 245-2, Hawaii Revised Statutes, is
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14
    amended by amending subsection (b) to read as follows:
               The license shall be issued by the department upon
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    application therefor, in such form and manner as shall be
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    required by rule of the department, and the payment of a fee of
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18
    [\$2.50_{r}] $250, and shall be renewable annually on July 1 for the
    twelve months ending the succeeding June 30."
19
                     Section 245-2.5, Hawaii Revised Statutes, is
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    amended by amending subsections (c) and (d) to read as follows:
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1
               The retail tobacco permit shall be issued by the
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    department upon application by the retailer in the form and
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    manner prescribed by the department, and the payment of a fee of
    [$20.] $50. Permits shall be valid for one year, from December
4
    1 to November 30, and renewable annually. Whenever a retail
5
    tobacco permit is defaced, destroyed, or lost, or the permittee
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7
    relocates the permittee's business, the department may issue a
8
    duplicate retail tobacco permit to the permittee for a fee of $5
9
    per copy.
              A separate retail tobacco permit shall be obtained for
10
    each place of business owned, controlled, or operated by a
11
    retailer. In seeking a retail tobacco permit, the applicant
12
    shall specify whether each place of business sells e-liquid or
13
14
    electronic smoking devices. A retailer that owns or controls
    more than one place of business may submit a single application
15
    for more than one retail tobacco permit. Each retail tobacco
16
    permit issued shall clearly describe the place of business where
17
    the operation of the business is conducted [-] and whether the
18
   place of business sells e-liquid or electronic smoking devices."
19
         SECTION 6. Section 245-15, Hawaii Revised Statutes, is
20
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amended to read as follows:

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1	"§245	-15 Disposition of revenues. All moneys collected
2	pursuant t	o this chapter shall be paid into the state treasury
3	as state r	ealizations to be kept and accounted for as provided
4	by law; pr	ovided that, of the moneys collected under the tax
5	imposed pu	rsuant to:
6	(1)	Section 245-3(a)(5), after September 30, 2006, and
7		prior to October 1, 2007, 1.0 cent per cigarette shall
8		be deposited to the credit of the Hawaii cancer
9		research special fund, established pursuant to section
10		304A-2168, for research and operating expenses and for
11 .		capital expenditures;
12	(2)	Section 245-3(a)(6), after September 30, 2007, and
13	.]	prior to October 1, 2008:
14		(A) 1.5 cents per cigarette shall be deposited to the
15		credit of the Hawaii cancer research special
16		fund, established pursuant to section 304A-2168,
17		for research and operating expenses and for
18		capital expenditures;
19		(B) 0.25 cents per cigarette shall be deposited to
20		the credit of the trauma system special fund
21		established pursuant to section 321-22 5: and

1		(C)	0.25 cents per cigarette shall be deposited to
2			the credit of the emergency medical services
3			special fund established pursuant to section
4			321-234;
5	(3)	Sect	ion 245-3(a)(7), after September 30, 2008, and
6		prio	r to July 1, 2009:
7		(A)	2.0 cents per cigarette shall be deposited to the
8			credit of the Hawaii cancer research special
9			fund, established pursuant to section 304A-2168,
10			for research and operating expenses and for
11			capital expenditures;
12		(B)	0.5 cents per cigarette shall be deposited to the
13			credit of the trauma system special fund
14			established pursuant to section 321-22.5;
15		(C)	0.25 cents per cigarette shall be deposited to
16			the credit of the community health centers
17			special fund established pursuant to section
18			321-1.65; and
19		(D)	0.25 cents per cigarette shall be deposited to
20			the credit of the emergency medical services
21			special fund established pursuant to section
22			321-234;

1	(4)	Sect	ion $245-3(a)(8)$, after June 30, 2009, and prior to
2		July	1, 2013:
3	_	(A)	2.0 cents per cigarette shall be deposited to the
4			credit of the Hawaii cancer research special
5			fund, established pursuant to section 304A-2168,
6			for research and operating expenses and for
7			capital expenditures;
8		(B)	0.75 cents per cigarette shall be deposited to
9			the credit of the trauma system special fund
0			established pursuant to section 321-22.5;
1		(C)	0.75 cents per cigarette shall be deposited to
2			the credit of the community health centers
3			special fund established pursuant to section
4			321-1.65; and
5		(D)	0.5 cents per cigarette shall be deposited to the
6			credit of the emergency medical services special
7			fund established pursuant to section 321-234;
8	(5)	Sect	ion 245-3(a)(11), after June 30, 2013, and prior
9		to Ju	aly 1, 2015:
0		(A)	2.0 cents per cigarette shall be deposited to the
1			credit of the Hawaii cancer research special
.2			fund, established pursuant to section 304A-2168,

1			for research and operating expenses and for
2			capital expenditures;
3		(B)	1.5 cents per cigarette shall be deposited to the
4			credit of the trauma system special fund
5			established pursuant to section 321-22.5;
6		(C)	1.25 cents per cigarette shall be deposited to
7			the credit of the community health centers
8			special fund established pursuant to section
9			321-1.65; and
10		(D)	1.25 cents per cigarette shall be deposited to
11			the credit of the emergency medical services
12			special fund established pursuant to section
13			321-234; [and]
14	(6)	Sect	ion 245-3(a)(11), after June 30, 2015, and
15		ther	eafter:
16		(A)	2.0 cents per cigarette shall be deposited to the
17			credit of the Hawaii cancer research special
18			fund, established pursuant to section 304A-2168,
19		,	for research and operating expenses and for
20			capital expenditures;
21		(B)	1.125 cents per cigarette, but not more than
22			\$7,400,000 in a fiscal year, shall be deposited

1		to the credit of the trauma system special fund
2		established pursuant to section 321-22.5;
3	(C)	1.25 cents per cigarette, but not more than
4		\$8,800,000 in a fiscal year, shall be deposited
5		to the credit of the community health centers
6		special fund established pursuant to section
7		321-1.65; and
8	(D)	1.25 cents per cigarette, but not more than
9		\$8,800,000 in a fiscal year, shall be deposited
10		to the credit of the emergency medical services
11		special fund established pursuant to section
12		321-234.
13	SECTION 7.	. Chapter 28, part XII, Hawaii Revised Statutes,
14	is repealed.	
15	SECTION 8.	. Section 245-17, Hawaii Revised Statutes, is
16	repealed.	
17	[" [\$245-1 7	7] Delivery sales. (a) No person shall conduct
18	a delivery sale	e or otherwise ship or transport, or cause to be
19	shipped or tra r	nsported, any electronic smoking device in
20	connection with	n a delivery sale to any person under the age of
21	twenty-one.	

1	(b) A person who makes delivery sales shall not accept a
2	purchase or order from any person without first obtaining the
3	full name, birth date, and address of that person and verifying
4	the purchaser's age by:
5	(1) An independently operated third-party database or
6	aggregate of databases that are regularly used by
7	government and businesses for the purpose of age and
8	identity verification and authentication;
9	(2) Receiving a copy of a government issued identification
10	card from the purchaser; or
11	(3) Requiring age and signature verification in the
12	shipment process and upon and before actual delivery.
13	(c) The purchaser shall certify their age before
14	completing the purchaser's order.
15	(d) Any person who violates this section shall be fined
16	\$500 for the first offense. Any subsequent offenses shall
17	subject the person to a fine of no less than \$500 but no more
18	than \$2,000. Any person under twenty-one years of age who
19	violates this section shall be fined \$10 for the first offense;
20	provided that any subsequent offense shall subject the person to
21	a fine of \$50, no part of which shall be suspended, or the
22	person shall be required to perform no loss than forth sight

```
1
    hours but no more than seventy-two hours of community service
    during hours when the person is not employed or attending
2
3
    school.
         (c) The department shall not adopt rules prohibiting
4
5
    delivery sales.
6
         (f) For the purposes of this section:
7
         "Delivery sale" means any sale of an electronic smoking
8
    device to a purchaser in the State where either:
         (1) The purchaser submits the order for sale by means of a
9
10
              telephonic or other method of voice transmission, the
11
              mail or any other delivery service, or the internet or
              other online service; or
12
         (2) The electronic smoking device is delivered by use-of
13
14
              the mail or any other delivery service.
    The foregoing sales of electronic smoking devices shall
15
    constitute a delivery sale regardless of whether the seller is
16
    located within or without the State.
17
         "Electronic smoking device" means any electronic product
18
   that can be used to acrosolize and deliver nicotine or other
19
20
   substances to the person inhaling from the device, including but
   not limited to an electronic cigarette, electronic cigar,
21
```

19

1	electronic cigarillo, or electronic pipe, and any cartridge or
2	other component of the device or related product."]
3	SECTION 9. This Act does not affect rights and duties that
4	matured, penalties that were incurred, and proceedings that were
5	begun before its effective date.
6	SECTION 10. If any provision of this Act, or the
7	application thereof to any person or circumstance, is held
8	invalid, the invalidity does not affect other provisions or
9	applications of the Act that can be given effect without the
0	invalid provision or application, and to this end the provisions
1	of this Act are severable.
2	SECTION 11. Statutory material to be repealed is bracketed
.3	and stricken. New statutory material is underscored.
.4	SECTION 12. This Act upon its approval, shall take effect
.5	on January 1, 2021.
6	
.7	INTRODUCED BY:
Q	DV DEGUECE

Report Title:

Unlawful Shipment of Tobacco Products; E-liquid; Electronic Smoking Devices; License Fee; Retail Permit Fee

Description:

Establishes the offense of unlawful shipment of tobacco products. Includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products. Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products. Repeals certain provisions of the Hawaii Revised Statutes relating to electronic smoking devices. Effective January 1, 2021.

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



January 29, 2020

Testimony to the House Committee on Consumer Protection and Commerce Thursday, January 30, 2019, 2:30 pm, Capitol Room 329.

Re: Testimony in STRONG SUPPORT of HB 2346 Relating to Unlawful Shipment of Tobacco Products; E-liquid; Electronic Smoking Devices; License Fee; Retail Permit Fee

Submitted By: Richard Bettini, President and CEO & Dr. Vija Sehgal, Chief Quality Officer, Director of School Based Health Services, Pediatrician, Waianae Coast Comprehensive Health Center

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee:

The Waianae Coast Comprehensive Health Center (WCCHC) would like to state its strong support for HB 2346.

Hawai'i has one of the highest rates of youth e-cigarettes in the country. An alarming 16 percent of Hawai'i middle school youth and 26 percent of Hawai'i high school youth are using e-cigarettes. Tobacco taxes and restrictions are a proven strategy to discourage the use of these products, especially among price-sensitive youth. Restricting online sales to retailers, providing tighter regulations on shipment, and increasing licensing and permitting fees will only help to limit tobacco access to underage youth.

In turn, it is vital we use the tobacco taxes gained from these tighter regulations to fund health education and prevention programs that teaches youth about the risks and dangers of tobacco.

At WCCHC, we currently have two successful tobacco prevention and control programs funded by the Tobacco Prevention and Control Trust Fund. We have E Malama I Kou Ha, a tobacco cessation program provided at our various clinics and Na Opio Hooki Puhi Paka, a tobacco prevention program provided at our school based health centers at Waianae High School, Waianae Intermediate School, and at Nanakuli High and Intermediate School. We have seen great success with these tobacco cessation programs for our youth and adult patients.

With tighter regulations on the selling of e-cigarettes and the combination of funding more health education and prevention programs that teaches youth about the risks and dangers of e-cigarettes, we can collectively end the youth vaping epidemic in Hawaii.



Thursday, January 30, 2020 at 2:30 PM Conference Room 329

House Committee on Consumer Protection & Commerce

To: Representative Roy Takumi, Chair

Representative Linda Ichiyama, Vice Chair

From: Michael Robinson

Vice President, Government Relations & Community Affairs

Re: Testimony in Support of HB 2346

Relating to Tobacco Products

My name is Michael Robinson, Vice President, Government Relations & Community Affairs at Hawai'i Pacific Health. Hawai'i Pacific Health is a not-for-profit health care system comprised of its four medical centers – Kapi'olani, Pali Momi, Straub and Wilcox and over 70 locations statewide with a mission of creating a healthier Hawai'i.

<u>I write in support of HB 2346</u> which would prohibit the shipment of tobacco products and the transport of tobacco products, and includes e-liquid and electronic smoking devices within the definition of "tobacco products". The measure also increases the wholesale license fee for wholesalers or dealers and the retain tobacco permit fee, increases the excise tax for each cigarettes and increases the excise tax on the wholesale price of each article or item of tobacco products.

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 through our Tobacco 21 law and tobacco youth access laws. 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.

Thank you for the opportunity to testify.

Date: January 28, 2020

To: The Honorable Roy Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair

Members of the Committee on Consumer Protection & Commerce

From: Members of the University of Hawaii Student Health Advisory Council

Re: Strong Support for HB2346, Relating to Tobacco Products

Htg: Thursday, January 30 at 2:30pm at Capitol Room 329

Thank you for the opportunity to submit testimony in SUPPORT of HB2346, which includes eliquid within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. The Student Health Advisory Council has played a pivotal role in the development and implementation of health policies and tobacco education on the UH System campuses. We remain deeply committed to the mission of reducing the use of tobacco products, including electronic smoking devices, among adolescents and young adults.

With products like Juul and other popular electronic smoking devices, it is increasingly clear that these products are addicting a whole generation of youth to a harmful product. The Surgeon General has gone so far as to declare youth e-cigarette use an epidemic, and that there is an urgent need to protect children from a lifetime of nicotine addiction and associated health risks.

According to the Center for Disease Control and Prevention, Hawaii's middle schoolers rank the highest and high schoolers rank the second highest in the nation for reported usage of ecigarettes. This underscores the severity with which e-cigarette use has penetrated our state's middle and high schools.

Under the Food and Drug Administration, electronic smoking devices are classified as a tobacco product, and yet they are the only product with that classification that does not have a tobacco tax. From the many decades of research done on tobacco control policy, it is clear that increasing the price of these products is a proven strategy that discourages access to these products. By prohibiting online sales to retailers, underage youth will have limited access to e-cigarettes. In addition, distributing tobacco taxes towards health education and prevention programs could help youth quit or prevent them from using vape products in the first place.

We therefore urge you to support this measure. For the sake of our general public health, Hawaii should not allow e-cigarettes to continue to fly below the State's tobacco tax radar.

Mahalo, Student Health Advisory Council



HIPHI Board

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Bryan Mih, MD, MPH John A. Burns School of Medicine, Department of Pediatrics

Rachel Novotny, PhD, RDN, LD University of Hawaii at Manoa, College of Tropical Agriculture and Human Resources

Garret Sugai Kaiser Permanente

Catherine Taschner, JD McCorriston Miller Mukai MacKinnon LLP Date: January 29, 2020

To: Representative Roy M. Takumi, Chair

Representative Linda Ichiyama, Vice Chair

Members of the Consumer Protection & Commerce Committee

Re: Strong Support HB2346, Relating to Tobacco Products Hrg: January 30, 2020 at 2:30 pm at Conference Room 329

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Instituteⁱ is in **Strong Support of HB 2346** which imposes a tax electronic smoking devices (ESDs) and e-liquids, requires wholesalers and retailers to obtain a license and a retail tobacco permit, and restricts the shipment of tobacco products to anyone other than a licensee.

E-cigarette use among youth and young adults has become a public health concern.

In 2017, 1 in 4 (25.5%) public high school students and more than 1 in 6 (15.7%) public middle school students in Hawai'i reported that they are regularly vapingⁱⁱ. Hawai'i has the third highest high school e-cigarette rate in the Country. Because ESDs 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. E-cigarettes often contain nicotine, which is addictive and harmful particularly to adolescents, whose brains are still developing. A 2016 report by the Surgeon General concluded that e-cigarettes are dangerous and a health threat to youth and young adultsⁱⁱⁱ. According to an article published by Dr. Jackler and Dr. Ramamurthi, "JUUL has triggered a widespread rush among aerosol purveyors to market e-liquid in unprecedentedly high nicotine concentrations^{iv}."

Electronic smoking devices (ESDs) are the only tobacco product without a tobacco tax.

In 2016, the FDA deemed e-cigarettes, including its components and parts as tobacco products. In a poll conducted by Ward Research Inc.

for the Coalition in November 2019, 86% 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. A local retailer is selling 30mL of e-liquid, some with strengths up to 50 mg of nicotine per mL, for as little as \$2.99^{vi}. Some companies have starter kits for \$0.99. Raising taxes and increasing the price of tobacco products is a proven strategy to reduce consumption for both adults and youth.

The Coalition emphasizes that is important to include all e-liquids in a tobacco tax, as 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^{vii}. We are concerned that the State lacks the resources to test if e-liquids sold are indeed nicotine-free and the study is evidence that we cannot rely on self-reported information on nicotine content alone.

The Coalition supports establishing an ESD tax and appreciates the intent of the measure to dedicate a portion of the tax revenue to tobacco prevention and control programs, however it appears to only be in the purpose section of the bill. In the same poll conducted by Ward Research, 93% of registered Hawai'i voters believe it is important to dedicate some of the funding from an ESD tax to tobacco prevention and cessation programs.

ESD licensing and permits protect both consumers and merchants.

The Coalition recommends that ESD sellers and vendors obtain a tobacco permit and/or license which is currently required for any tobacco retailer or wholesaler. This consistency would assist with the communication and enforcement of current tobacco tax and purchase laws. In addition, the Coalition supports the proposed increased fees for the tobacco permit and license.

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.

To reiterate, 25.5% of our high school youth reported that they are regularly vaping. However, our adult rate is 4.3% iii. A study has shown that for every one adult that quits smoking using e-cigarettes, 81 youth will become cigarette smokers. This is not a trade-off we can accept. We need to take action and regulate electronic smoking devices for our kids. The current Surgeon General, VADM Jerome Adams issued an advisory in December 2018 "emphasizing the importance of protecting our children from a lifetime of nicotine addiction and associated health risks by immediately addressing the epidemic of youth e-cigarette use. The recent surge in e-cigarette use among youth, which has been fueled by new types of e-cigarettes that have recently entered the market, is a cause for great concern. We must take action now to protect the health of our nation's young peoplex." Hawai'i has made enormous progress on tobacco control and we ask the legislature to take the necessary steps to reverse our youth vaping epidemic in order to save our youth from a lifetime of addiction.

Thank you for the opportunity to testify. We strongly support HB2346 and respectfully ask you to pass this measure as is out of committee.

Mahalo.

Jessica Yamauchi, MA Executive Director

The Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

ⁱ 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.

ii 2017 Youth Risk Behavior Surveillance System (YRBS). http://www.hawaiihealthmatters.org/indicators/index/dashboard?id=83016762154173692

^{III} 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

^{iv} Jackler RK, Ramamurthi D. Tob Control Epub ahead of print: 2.6.19.doi:10.1136/tobaccocontrol-2018-054796. https://tobaccocontrol.bmj.com/content/early/2019/01/31/tobaccocontrol-2018-054796

^v This study by Ward Research, Inc. summarizes findings from a phone survey among n=807 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between November 7 – December 4, 2019.

vi https://volcanoecigs.com/collections/nicotine-salt-e-liquids/products/beard-vape-the-salty-one-apple-nicotine-salt-30ml?variant=29461231992855 on January 29, 2020

vii 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

viii 2016 Behavioral Risk Factor Surveillance System (BRFSS). http://www.hawaiihealthmatters.org/indicators/index/view?indicatorId=5203&localeId=14

ix Association Between Initial Use of e-Cigarettes and Subsequent Cigarette Smoking Among Adolescents and Young Adults: A Systematic Review and Meta-analysis

Samir Soneji, PhD1,2; Jessica L. Barrington-Trimis, PhD3; Thomas A. Wills, PhD4; et al JAMA Pediatr. 2017;171(8):788-797. doi:10.1001/jamapediatrics.2017.1488

^{*} Surgeon General Adviosry, December 2018, https://e-cigarettes.surgeongeneral.gov/documents/s



American Heart Association testimony in SUPPORT of HB 2346, Relating to Tobacco Products

Chairman of the Board Mark Yamakawa

PresidentKahealani Rivera, MD

Board Members

Rick Bruno, MD, FACEP
Brandt Farias
Mimi Harris
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Mission Statement:

"To be a relentless force for a world of longer, healthier lives."

For more information on the AHA's educational or research programs, visit <u>www.heart.org</u> or contact your nearest AHA office.

Office: (808) 377-6630 Fax: (808) 524-0556

Neighbor Islands: Serviced by the Oahu office The American Heart Association <u>supports</u> HB 2346 which makes unlawful shipment of Eliquid products to anyone other than a licensee or permitee, includes e-liquid and electronic smoking devices within the definition of "tobacco products" in existing cigarette tax and tobacco tax state law, requires that wholesalers and retailers of electronic smoking devices obtain a tobacco license/permit, and increases the license fee for wholesalers or dealers and the retail tobacco permit fee.

The bill also states its purpose is to "fund health education and [tobacco] prevention programs about the risks of the use of electronic smoking devices for youth, but it currently fails to define an amount or a source of that funding. We suggest that any new revenue generated by the additional tax on electronic smoking devices be allocated to the State Tobacco Prevention and Control Special Fund for the stated purpose.

Hawaii is in the midst of a youth epidemic concerning the use of electronic smoking devices. As stated in the bill's preface, Hawaii has the highest rate of middle school-aged student use of those products in the nation, and the second highest high school student usage rate.

Even though there is more work needed to fully understand all the dangers of ecigarettes, there's plenty of evidence they're harmful for growing minds and bodies.

The American Heart Association is working to combat this problem the same way we have battled health problems for nearly a century: We're relying on the science.

That's why we are funding \$20 million of new research to understand how vaping and nicotine affect the still growing hearts, brains, lungs and blood vessels of young people. This is important because there are few studies in this area.

Here's a look at the latest science about vaping and nicotine, as well what science hasn't uncovered yet.

Safety of vaping vs. cigarettes

One of the most basic things people want to know is whether vaping is better for you than cigarettes. It's easy to jump to the conclusion that vaping is better. After all, there is no mystery about smoking: It can kill you.

The problem is, no one knows if vaping is safe in the long run because e-cigarettes haven't been around long enough to be studied deeply. Some diseases can take years and even decades to develop, including cancer and atherosclerosis (artery blockages that can cause heart attacks and strokes).

Another reason it's difficult to study vaping is that people switch back and forth between smoking, vaping and not using either. We can see short-term effects in animals exposed to one or another, but understanding long-term effects requires long-term studies.

In addition to a lack of sufficient research, some contents of e-cigarettes remain unknown. The Food and Drug Administration – responsible for judging the safety of things Americans put into their bodies – has not yet evaluated these products for safety.

We do know that the lines between the vaping industry and Big Tobacco have blurred. Altria, the maker of Marlboro and Skoal, has invested more than \$12 billion into Juul, which makes e-cigarettes that are extremely popular with young people. The investment is 35% of Juul's value.

Big Tobacco has a history of misrepresenting facts about nicotine and smoking. So vaping-safety claims from industry or research supported by industry should be met with skepticism. For example, there's the claim that vaping produces only water "vapor" or aerosols – which sound far healthier than cigarette smoke. But there is a lot more than water in that aerosol.

The aerosols actually contain multiple chemicals known to be toxic. Some aerosols contain heavy metals and other toxic ingredients (like the volatile organic compounds you try to avoid in some house paint).

Some of the flavors designed to make e-cigarettes more attractive to children have been shown to harm lung tissue, heart muscle cells, the lining cells of blood vessels, and the cells we need for blood clotting after injury.

These studies have been done in cells from human volunteers, and in some cases, the functions of these cells have been studied in volunteers after they vape.

Even the chemicals used to deliver the aerosol (like propylene glycol or glycerol) can be toxic, as can the heavy metals often produced by these delivery systems themselves. And remember, aerosols are inhaled deep into the lungs, where their effects may be long-lasting.

E-cigarettes as tools to quit smoking

The idea that vaping is a better way to quit cigarettes than reliable methods using FDA-approved nicotine replacement products isn't backed up by the weight of science.

Of the small number of studies about this, most show no advantage for e-cigarettes over the temporary use of FDA-approved products such as gum, lozenges and patches. The latter products have been proven helpful as part of an overall program for quitting, which should also include counselling and can include medications to reduce cravings.

One study frequently cited by industry and its supporters did show e-cigarettes to be effective in stopping smoking. However, as is often the case with science, that part of the study's results doesn't tell the whole story.

The study, published in The New England Journal of Medicine, was conducted in England. That's significant because the e-cigarettes in England are far different from those in the U.S. English products have much lower levels of nicotine, and physicians there actually encourage their use to quit smoking.

Two reports from Public Health England are often referenced for stating "e-cigarettes are less harmful than combustible cigarettes." But those studies did not compare e-cigarette use to zero-nicotine exposure. And, those reports rely on small studies or reviews sponsored by organizations supported by Big Tobacco.

Some U.S. smokers have used e-cigarettes to quit, but a growing body of studies shows that approach doesn't work for many people. They cut back, but they still smoke while vaping and they remain addicted. That's called "dual use" in public health literature. The dangers of cigarettes remain, with the added dangers of vaping.

Unfortunately, dual use is a major problem among young people. Dual use also is something the American Heart Association is working to address through our massive new initiative combatting youth vaping called #QuitLying. Research shows some kids who had never smoked but began their exposure to nicotine by vaping later switched to smoking or did both.

The Association advises anyone quitting smoking to get off nicotine products altogether, using FDA-approved tools proven to be effective. We also don't want anyone to ever start any nicotine-containing product.

The dangers of nicotine and the unknown

When discussing the dangers of e-cigarettes, many people think about the tragic outbreak of vaping-related deaths across the country. As an organization we are extremely concerned about this problem, which is still being investigated and has been linked to vaping THC well as using "off-brand" e-cigarette products.

But nicotine remains a major concern about e-cigarettes. They can contain unusually high levels of nicotine. One e-cigarette refill pod can contain as much nicotine as an entire pack of cigarettes and kids are sometimes vaping 2-4 pods a day. And open pod e-cigarette products popular among Hawaii youths can contain even much more nicotine.

That's especially troubling because many studies in animals show nicotine is a neurotoxin (a poison affecting the nervous system). It can affect brain development from early fetal life through adolescence, permanently changing the ability to think or reason.

The National Academies of Science, Engineering and Medicine and the World Health Organization believe nicotine delivery via e-cigarettes during pregnancy can adversely affect the development of the fetus, and can affect immune system and lung function.

E-cigarettes are now the most popularly used tobacco product among Hawaii's youth. According to recent Department of Health data, approximately 42 percent of Hawaii's youths have tried e-cigarettes, and 25 percent are now regular users. On neighbor island, regular use of e-cigarettes by youths tops 30 percent.

By adding e-liquid and electronic smoking devices 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 e-cigarette use rates among the youth market, which is more price sensitive, and which is the most highly targeted by tobacco industry marketing and advertising.

In Hawaii, 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. Tobacco use declines related to 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 less than \$5 million investment in tobacco prevention, control and cessation programs last year 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 tobacco products to community prevention, education and cessation programs would help to increase the desired impact of this legislation by further reducing the use of electronic smoking devices by our youth and most health vulnerable populations.

The American Heart Association urges your strong support of HB 2346 as a means 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.

Respectfully submitted, ald B. Weismon

Donald B. Weisman

Hawaii Government Relations/Communications Director



Testimony to the House Committee on Consumer Protection and Commerce Thursday, January 30, 2020; 2:30 p.m. State Capitol, Conference Room 329

RE: HOUSE BILL NO. 2346, RELATING TO TOBACCO PRODUCTS.

Chair Takumi, Chair Ichiyama, and Members of the Joint Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA **SUPPORTS** House Bill No. 2346, RELATING TO TOBACCO PRODUCTS.

The bill, as received by your Committee, would:

- (1) Establish the offense of unlawful shipment of tobacco products;
- (2) Include e-liquid and electronic smoking devices within the definition of "tobacco products", in the cigarette tax and tobacco tax law;
- (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 retain sale of cigarettes and tobacco products;
- (5) Fund health education and prevention programs about the risks and dangers of the use of electronic smoking devices for youth; and
- (6) Repeal various statutory provisions relating to electronic smoking devices.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

FQHCs have long seen first-hand how tobacco has literally destroyed the lives of our patients and their families. Because of the ubiquity of cigarettes, chewing tobacco, and now electronic smoking devices, the impacts of tobacco affect our citizenry on a generational basis with people experimenting at even earlier ages.

Testimony on House Bill No. 2346 Thursday, January 30, 2020; 2:30 p.m. Page 2

It is for this reason that the HPCA joins the American Cancer Society of Hawaii, the Hawaii Public Health Institute, and other advocates in strong support of all efforts to rid the marketplace of these products.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.

Submitted on: 1/28/2020 4:25:55 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann S Freed	Hawaii Women's Coalition	Support	No

Comments:

The Hawaii Women's Coalition is in strong support of this measure. The Tobacco lobby is once again targeting vulnerable demographics as they did with the Virgina Slims campaign aimed at women, them the Joe Camel campaign aimed at Teens and now the toxic flavored vaping devices aimed at our children.

Time to put a stop to this drug pushing.

Mahalo,

Ann S. Freed

Co-Chair Emeritus, Hawaii Women's Coalition

Submitted on: 1/28/2020 10:21:15 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Tommy Noyes	The Friends of Kamalani and Lydgate Park	Support	No

Comments:

Aloha House Committee on Consumer Protection & Commerce members,

The Friends of Kamalani and Lydgate Park work diligently to improve the health and wellness of Kauai residents. We strongly endorse HB2346 because we believe in order to address the youth vaping epiemic it is necessary to begin regulating e-cigarettes by: (1) requiring e-cigarette retailers and wholesalers to obtain a tobacco license and/or permit; (2) establishing a tax on e-liquid and electronic smoking devices of 70% of the wholesale price; and (3) only allowing the shipment of online sales of ESDs to those with a tobacco license.

Please support this bill.

Mahalo & best regards,

Tommy A. Noyes General Coordinator The Friends of Kamalani and Lydgate Park

<u>HB-2346</u> Submitted on: 1/28/2020 2:21:24 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph Kohn MD	We Are One, Inc www.WeAreOne.cc - WAO	Support	No

Comments:

www.WeAreOne.cc

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, Hikes Rates and Fees

BILL NUMBER: HB 2346; SB 2902

INTRODUCED BY: HB by SAIKI by request; SB by KOUCHI by request

EXECUTIVE SUMMARY: Establishes the offense of unlawful shipment of tobacco products. Includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products. Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products. Allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs about the risks and dangers of the use of electronic smoking devices for youth. Repeals certain provisions of the Hawaii Revised Statutes relating to electronic smoking devices. Effective January 1, 2021.

SYNOPSIS: Adds a new section to chapter 245, HRS, to establish the offense of unlawful shipment of e-liquid products. If a person is in the business of selling e-liquid products and ships to a person in Hawaii that is not a tobacco tax licensee, the person commits the offense. Exceptions are provided if the tobacco products are exempt from Hawaii tobacco tax, or Hawaii tobacco tax on the products is already fully paid. The offense is a class C felony if the products being shipped have a value (defined to be fair market value at the time of the offense) of \$10,000 or more, otherwise it is a misdemeanor.

Amends section 245-1, HRS, to include "e-liquid" within the definition of tobacco products taxable under the Tobacco Tax Law, and to define "e-liquid" as any liquid or like substance that may or may not contain nicotine and that is designed or intended to be used in an electronic smoking device, whether or not packaged in a cartridge or other container; except that E-liquid shall not include prescription drugs; medical cannabis or manufactured cannabis products; or medical devices used to inhale or ingest prescription drugs, including manufactured cannabis products sold or distributed in accordance with section 329D-10(a).

Defines "electronic smoking device" as any electronic product, or part thereof, that can be used by a person to simulate smoking in the delivery of nicotine or any other substance, intended for human consumption, through inhalation of vapor or aerosol from the product. Electronic smoking device includes but is not limited to an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, vape pen or related product, and any cartridge or other component part of the device or product.

Defines "smoke" or "smoking" as inhaling, exhaling, burning, carrying, or possessing any lighted or heated tobacco product, or similar substance intended for human consumption,

Re: HB 2346 Page 2

including the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form.

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

Amends section 245-2.5, HRS, to raise the annual fee for a retail tobacco permit from \$20 to \$50. Provides that the applicant for such a permit shall specify whether each place of business sells e-liquid or electronic smoking devices, and that the permit shall state whether the place of business permitted sells e-liquid or electronic smoking devices.

Repeals chapter 28, part XII, HRS, relating to the electronic smoking device retailer registration unit within the Department of the Attorney General.

Repeals section 245-17, HRS, relating to delivery sales.

Also makes technical and conforming changes.

EFFECTIVE DATE: 1/1/2021.

STAFF COMMENTS: This bill is an Administration-sponsored bill from the Department of Health, identified as HTH-09 (20).

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?

As the Foundation's previous President, Lowell Kalapa, wrote in the Tax Foundation of Hawaii's weekly commentary on October 28, 2012:

Lawmakers seem to have a simplistic reaction to solving problems the solution to which plagues their constituents – tax it.

Probably the best example is what people like to call sin taxes, those excise taxes that are levied on tobacco and alcohol products. After all, smoking causes cancer and alcohol causes all sorts of problems including driving under the influence. Lawmakers and community advocates shake their heads and push for higher tax rates, arguing that making these products more expensive will deter folks from using these products.

The problem is that lawmakers also like the revenues that are generated from the sales of these products and, in some cases, they have tried to link the use and sale of these products with noble causes such as the funding of the Cancer Research Center that is currently being built. Again, the argument is that smokers should pay for programs and projects which seek to cure the related ill which in this case is cancer caused by smoking.

The irony is that arguments to increase the tax on tobacco and, more specifically, cigarettes, is a goal of getting smokers to quit while depending on the revenues from tobacco and cigarette taxes to fund an ongoing program, in this case the Cancer Research Center. So, which is it folks, stop

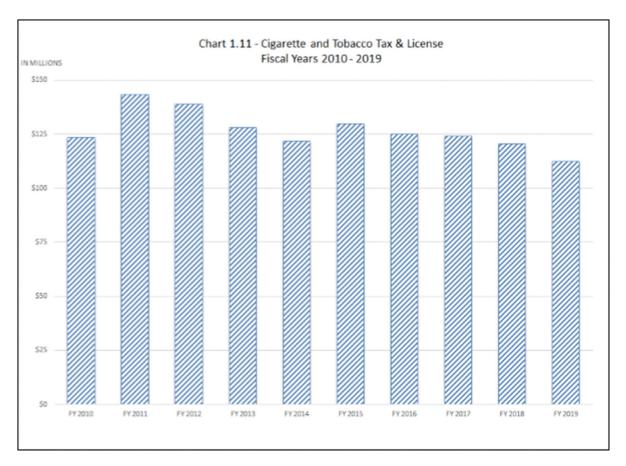
Re: HB 2346 Page 3

smokers from smoking and if successful, there won't be any revenues to fund the Cancer Research Center?

The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes are influencing smokers as tax collections on the sale of cigarettes have fallen. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases were made via mail order from exempt Indian reservation outlets while others may be what is called gray market purchases, that is from sources outside the country.

What should come as a surprise is that most of the folks who have quit are of some means as they are more likely to recognize the health hazard caused by use of this product. That means most of those who are still smoking are among the lower-income members of our community. Thus, the tax is regressive, generating less and less collections from middle and higher-income individuals.

As predicted, programs that have been fed by earmarks from the tobacco tax, like the Cancer Research Center, have become a victim of the success of tobacco cessation programs and publicity. Revenues produced by the tobacco tax have been in steady decline over the past few years despite tax rate increases, and hoisting the smoking age to 21 in the 2015 session certainly didn't reverse the trend.



Source: Department of Taxation Annual Report (2018-2019), page 24.

Re: HB 2346

Page 4

Do we really need an elaborate study to tell ourselves that fiscal reliance on funds from a sin tax is inadvisable or outright dangerous? If the goal is to affect social behavior, use of the tax law is not the most effective way to do so.

Digested 1/28/2020

Submitted on: 1/27/2020 4:41:10 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lynn Murakami- Akatsuka	Individual	Support	No

Comments:

Dear Members of the House Committee on Consumer Protection & Commerce, I strongly support the passage of HB 2346 estalishing the offense of unlawful shipment of tobacco products which includes e-liquid and electronic smoking devices within the definition of "tobacco products," as used in the cigarette tax and tobacco tax law. Along with increasing the license fee and retail tobacco permit fees of retailer and wholesalers, I strongly support that funds from the excise taxes on these tobacco products be assigned to health education and prevention programs to address the risks and dangers of the use of electronic smoking devices for youth. Early intervention and awareness of risk factors and its consequences at an early age helps to form healthy practices in life. Thank you for the opportunity to testify on this important bill.

<u>HB-2346</u> Submitted on: 1/28/2020 11:35:29 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Marilyn J. Gagen	Individual	Support	No

<u>HB-2346</u> Submitted on: 1/28/2020 11:47:58 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Patricia Blair	Individual	Support	No

<u>HB-2346</u> Submitted on: 1/28/2020 1:03:38 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lois Crozer	Individual	Support	No

Submitted on: 1/28/2020 1:59:09 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Cori Takesue	Individual	Support	No

Comments:

- Hawai'i has one of the highest rates of youth e-cigarette use in the nation.
- Tobacco taxes are a proven strategy that discourages use of these products, especially among price-sensitive youth.
- It's important to allocate tobacco taxes to fund youth prevention and education programs.
- Restricting online sales to retailers only will help to limit access to underage youth.

These are the facts...let's support this bill for our Keiki.

<u>HB-2346</u> Submitted on: 1/28/2020 2:10:48 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Diane Neubert	Individual	Support	No

Date: January 28, 2020

To: The Honorable Roy M. Takumi, Chair

The Honorable Linda Ichiyama, Vice Chair

Members of the House Committee on Consumer Protection & Commerce

Re: **Strong Support for HB2346**, Relating to Tobacco Products

Hrg: January 30, 2020 at 2:30 PM in Capitol Room 329

Aloha House Committee on Consumer Protection & Commerce,

I am writing in **strong support of HB2346**, which establishes the offense of unlawful shipment of tobacco products; includes e-liquid and electronic smoking devices (ESDs) within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law; and, allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs about the risks and dangers of the use of electronic smoking devices for youth.

Hawai'i is in the midst of an unprecedented youth vaping (nicotine addition) epidemic and has one of the highest rates of youth e-cigarette use in the nation. Due to the highly concentrated nicotine salt vape juices available in a multitude of sweet flavors, these products are highly attractive to, and pose a huge risk of addiction and life-long impaired brain development for, youth who vape. For the health and welfare of our children and future generations the measures as addressed in **HB2346** are urgently needed to effectively reverse this trend.

E-cigarettes are far less expensive than combustible tobacco cigarettes, making them economically attractive to youth. Tobacco taxes are a proven strategy to discourage use of tobacco products, especially among price-sensitive youth.

Youth education is key to preventing nicotine use and addiction making it very important to allocate tobacco taxes to fund youth prevention and education programs.

Bringing ESDs with the definition of tobacco products for licensing and permitting will create a level playing field for all retail establishments selling any tobacco products, allowing state agencies to readily and effectively communicate regulatory changes, product recalls and other important information to retailers.

Restricting online sales to retailers only will further limit ESD access to underage youth.

I **strongly support HB2346** and respectfully ask you to pass this bill out of committee.

Many thanks for your consideration,

Forrest Batz, PharmD Kea'au, HI

Submitted on: 1/28/2020 2:48:45 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
mary santa maria	Individual	Support	No

Comments:

the I encourage the House to pass HB 2346. HB2346 will regulate e-cigarettes by: (1) requiring e-cigarette retailers and wholesalers to obtain a tobacco license and/or permit; (2) establishing a tax on e-liquid and electronic smoking devices of 70% of the wholesale price; and (3) only allowing the shipment of online sales of ESDs to those with a tobacco license.

Tobacco License and Permit requirement:

- This requirement is critical to educating and enforcing current laws applicable to ESD retailers.
- Currently, the tobacco license is only \$2.50 annually and a retail permit is \$20 annually. The proposed increase is \$250 for a tobacco license and \$50 for a retailer permit. These fees are still much lower than alcohol license and permit fees. In comparison the annual wholesale liquor license for the City and County of Honolulu is \$2,640.

ESD tax:

- Currently there is no tobacco tax attached to e-cigarettes. This bill would tax electronic smoking devices and e-liquid, which includes the e-juice as well as products with e-liquid pre-filled cartridges or pod-based products.
- The proposed tax would be the same as other tobacco products, which is 70% of the wholesale price. Retail price of some e-liquids is offered as low as \$0.99 cents per bottle.
- Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit.

Online Sales:

• Youth can purchase online products .This bill would prohibit online shipment of tobacco products to consumers. Only a tobacco licensee is able to purchase and ship e-cigarettes online.

Funding for ESD health and education programs for youth

- Funding for tobacco prevention and control programs complement and strengthen the effect of tobacco policies in reducing smoking rates.
- I support the intent of the bill, which seeks to fund health and education programs on the dangers of ESDs for youth, and ask that language be inserted to allocate tobacco tax revenue towards these programs.

Sincerly

Mary Santa Maria

211 Ulana

Makawao, Hawaii

Submitted on: 1/28/2020 2:53:58 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Shelly Ogata	Individual	Support	No

Comments:

HB2346, Relating to Electronic Smoking Products

Position: Strong Support

I am in strong support of HB2346 which will regulate e-cigarettes by: (1) requiring e-cigarette retailers and wholesalers to obtain a tobacco license and/or permit; (2) establishing a tax on e-liquid and electronic smoking devices of 70% of the wholesale price; and (3) only allowing the shipment of online sales of ESDs to those with a tobacco license.

Tobacco License and Permit requirement:

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Online Sales:

This bill would prohibit online shipment of tobacco products to consumers. Only a tobacco licensee is able to purchase and ship e-cigarettes online.

Funding for ESD health and education programs for youth

Funding for tobacco prevention and control programs complement and strengthen the effect of tobacco policies in reducing use rates. We support the intent of the bill, which seeks to fund health and education programs on the dangers of ESDs for youth, and ask that language be inserted to allocate tobacco tax revenue towards these programs.

<u>HB-2346</u> Submitted on: 1/28/2020 3:14:43 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Julieta Rajlevsky	Individual	Support	No

Submitted on: 1/28/2020 3:52:23 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ramic P.H. Santiago	Individual	Support	No

Comments:

Dear Health Chairperson and Committee Members,

My name is Ramic Santiago and I support HB 2346

- 1. are too many children under 18 that are choosing to vape in Hawaii. According to the Center for Disease Control and Prevention Hawai'i ranks second in children ranging from 6th to 12th grade who choose to vape (1). According to Kaiser Health News numbers reported in 2018 translate to 3 million high school students nationally who vape. These staggering numbers continue to rise with advancements in vaping technology. Vaping devices can come in a variety of sizes and others like the JUUL product which is the size of a small USB port and can be used almost undetectable. Nicotine levels are manipulated and highly concentrated like the JUUL that can contain as much nicotine as 20 packs of cigarettes.
- is extremely unhealthy for youth because it can be extremely harmful to the developmental process in the youth's brain and nicotine causes changes in the brain's synapses which are built faster than the adult's brain (1). Most e-cigs contain nicotine and nicotine use in adolescence may further the risk for future addiction to drugs (1). There are many carcinogenic chemicals used in the production of e-cigs including cancer-causing compounds and heavy metals such as nickel, tin, and lead (1).

Many vaping products come with or are used with flavor additives such as candy flavorings. These flavorings are targeted at making nicotine products familiar to youth and make the vaping product more palatable to taste than traditional burning tobacco products which are restricted by the 2009 Family Smoking Prevention and Tobacco

Control Act which banned fruit and candy flavorings in cigarettes but did not include smokeless tobacco products like chew and e-cigs.

As of January 2020, the Trump administration has enacted a ban on the flavoring of ecigarettes which use pre-filled cartridges but does not include tank based systems where users fill their own nicotine and flavor mixture(2). Furthermore, menthol pre-filled vaping devices are excluded from the ban (2). According to the National Institute on Drug Abuse 66% of teens vape only flavoring (2). Banning pre-filled e-cig products will have little effect when teens can still get ahold of products that contain flavored vaping products like fillable tank systems.

Hawaii needs to further the Trump administration's efforts to reduce the increasing number of underage children who use vaping products. Hawaii needs to regulate and tax vaping products.

Sincerely,

Ramic P.H. Santiago, B.S.

1614 Emerson Street # 5

Honolulu, Hawaii 96813

Resources

- 1. Center for Disease Control and Prevention(2019). Smoking and Tobacco Use
- 2. MarketWatch.(2020). Federal Government Bans Popular E-cigg Flavors to the Curb.
- 3. NIH National Institute on Drug Abuse. (2015). Teens and E-cigs.

Submitted on: 1/28/2020 4:45:27 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ragnhild Aasen Jenkins	Individual	Support	No

Comments:

To Whom it May Concern:

Please protect Hawaii's youth and implement stricter laws to regulate e- cigarettes! E-cigarettes are detrimental to people's health and the government has a responsibility to implement the proper restrictions to reverse this epidemic.

- Hawai'i has one of the highest rates of youth e-cigarette use in the nation.
- Tobacco taxes are a proven strategy that discourages use of these products, especially among price-sensitive youth.
- It's important to allocate tobacco taxes to fund youth prevention and education programs.
- Restricting online sales to retailers only will help to limit access to underage youth.

Thank you for yo	our kind consideration	in this matter.	We count on	you to do	the right
thing.					_

Sincerely,

Ragnhild A Jenkins

Strong Support of HB 2346 Relating to Tobacco Products.

To the House of Representatives

Hrg: Thursday, January 30, 2020, 2:30 pm, Conference Room 329

I strongly support HB 2346 Relating to Tobacco Products, which would regulate electronic smoking devices (ESDs) and e-liquids as tobacco products through taxation, online shipment restrictions, and licensing and permitting. In addition, it also appropriates monies towards tobacco prevention, control, and research.

State lawmakers have been trying to regulate ESDs for the last five years. Hawai'i is in the midst of a youth vaping epidemic, and we must regulate these products to reverse this trend. ESDs are the only tobacco products without a tobacco tax and sellers are not required to obtain a tobacco permit and license to sell. Tobacco taxes and increasing the price is a proven strategy that discourages use of these products, especially among youth. I appreciate that a portion of revenues generated from this tax will be dedicated to tobacco prevention, cessation, education programs, which will help with ESD prevention efforts and support individuals who want to quit. In addition, restricting online sales to retailers with a tobacco license will prevent sales to underage youth.

<u>I strongly support HB 2346 Relating to Tobacco Products and ask you to pass this</u> out of committee.

Sincerely,

Jessica Cambra ~mother of 3 Maui boys

101 Kealohilani Street

Kahului HI 96732

808-280-0055

<u>HB-2346</u> Submitted on: 1/28/2020 8:43:13 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lee Buenconsejo-Lum	Individual	Support	No

Submitted on: 1/28/2020 9:44:00 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Hilary Lang	Hana High & Elementary	Support	No	•

Comments:

Aloha,

I am a middle school teacher at Hana High & Elementary. I was an elementary teacher at our school for 11 years. Vaping is a big problem at our school in all grades. I have had students as young as 3rd grade. The kids think it is cool because they look grown up. The vapes come in many fun flavors. They want to try them all. I have a 7 year old son and a 10 year old daughter. I talk with them and they know many of their classmates vape. The kids don't think it is harmful. It is just vapor and the 3rd graders not only like the fun flavors and the initial "cool" appeal, but they now are atracted to the "high" feeling they get. We don't have services to help students so young with this drug exposure. Soon they will be addicted. They chemicals cause many medical problems. In the middle school and high school the problem is rampent and common place. These fun flavors are targeting our children to get them hooked as the next generator to be life long consumers to this industry. Please investigate the staggaring statistics that we are faced against and pass this bill to help us keep our youth safe. If these products didn't come in fun flavors that the kids are attracted to they would not use them. 97% of child vape use is using a flavored vape. They are very high in nicotine and other chemicals that harm the lungs, brain, heart, and body function.

Thank you so much for your concern about our youth. The power to make a change in their lives is in your hands. Please don't let the \$\$\$ of the loby groups distract you.

Mahalo,

Hilary Lang

Submitted on: 1/28/2020 10:40:44 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Jonathan Boyne	Individual	Support	No

Comments:

Why We Need HB 2346

E-cigarettes have evaded many of the tobacco regulations that led to historically low smoking rates. With the abundance of both brick-and-mortar and online retailers selling these products for as little as \$1, they are cheap and easily accessible to our keiki. As a result, Hawaii's youth are paying the price, with one of the highest e-cigarette use rates in the nation.

<u>HB 2346</u> seeks to reverse this alarming statistic through licensing and permitting, taxation, online sales restrictions, and funding for youth e-cigarette education and prevention programs.

- Hawai'i has one of the highest rates of youth e-cigarette use in the nation.
- Tobacco taxes are a proven strategy that discourages use of these products, especially among price-sensitive youth.
- It's important to allocate tobacco taxes to fund youth prevention and education programs.
- Restricting online sales to retailers only will help to limit access to underage vouth.

Sincerely,

Jonathan Boyne

Submitted on: 1/28/2020 11:27:33 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Bryan Mih	Individual	Support	No

Comments:

Dear Representatives:

As a pediatrician in Honolulu and medical director of the Kapi'olani Smokefree Families Tobacco & Nicotine Cessation Program, I strongly support HB2346, which would regulate electronic smoking devices (ESDs) and e-liquids.

Electronic smoking devices (also known as vape devices) are clearly products meant to approximate the use of cigarettes and other tobacco products. Electronic smoking devices take a mixture of chemicals, including nicotine, and vaporize it at high temperatures. These devices emit nicotine byproducts and a variety of other chemicals, and they have not been fully studied in regards to safety. E-cigarette vapor has been shown to include carcinogens and toxins including nicotine, nitrosamines, diethylene glycol, formaldehyde, and acetaldehyde. The U.S. Food and Drug Administration has exhibited concern regarding the safety of electronic smoking devices as well.

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 highly addictive 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.

Online sales of e-cigarettes or vaping devices and liquid nicotine also needs to be regulated and monitored. Many young people can easily access vaping supplies via the internet. This bill would prohibit online shipment of tobacco products to consumers, limiting it to licensed sellers.

ESDs are the only tobacco product without a tobacco tax, yet they are essentially sold and used in the same manner. Please bring the tax amount on par with other tobacco products.

Please do not let vaping continue to go unregulated in Hawai'i. Thank you for your consideration and support of HB2346.

Sincerely,

Bryan Mih, MD, MPH, FAAP

Pediatrician

<u>HB-2346</u> Submitted on: 1/29/2020 8:49:57 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
alize puhanchett	Individual	Support	No

Submitted on: 1/29/2020 9:03:15 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
J-Lah Sinenci	Individual	Support	No

Comments:

I'm a the Grade student and I think Tobacco shouldn't be available for kids that are under age and I think the companies and stores should make it harder to get. It is a very dangerous for kids because it makes you unhealthy and leads to death. Vaping can lead to lung damage or lung cancer.

<u>HB-2346</u> Submitted on: 1/28/2020 5:54:31 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

<u>HB-2346</u> Submitted on: 1/28/2020 5:48:43 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

Submitted on: 1/29/2020 9:03:55 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

Aloha I'm a 7th grade student and I think Tabacco should not be targeted to students because It is a very unhealthy product, and kids could die at an early age. I have a lot of family members that are in highschool, and I know that they smoke. That really hurts my heart because I know that if they continue to smoke and put tabacco in their bodies, they can't live a long life:)

Submitted on: 1/29/2020 9:05:33 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

Ho sup my name is Mele and targeting kids with tobacco products is not okay. Im a 7th grader and i see little kids wanting to go buy a vape or trying to buy one because there pretty or "trendy" but that is just like ruing our future for us. Everyone says "2020 is the year!" but really its not. So far humans have started fires almost started world war three and now their targeting kids to ruin their lives for money. Like "who are you" there are tests proving vaping is bad for you or smoking is bad for you so why do people try to pretty much take childrens lives. A life is worth way more than any amount of money. Over all its just not right for companies to target kids with their "yummy" flavers or nice colors. You know the saying "make America grate again" well i dont even think america was really ever GRATE.

Submitted on: 1/29/2020 9:06:34 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
jake lowery	Individual	Support	No

Comments:

I am a 7th grade student and I think tobacco should be banded. hear are my reasoning 1 it can destroy a child life 2 it is very dangerous 3 it is very addictive and finally 4 when they are older if they smoked in there child hood they well be even more addicted when thy are older.

Submitted on: 1/29/2020 9:06:45 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

Vaping or smoking in any way makes your lungs look like a raizen and it could have some bad consequences like lung cancer and when it comes to vaps and the nicatin inside is really bad for kids.

Submitted on: 1/29/2020 9:07:12 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Cole camara	Individual	Support	No	

Comments:

hi

Im a 7th grader from hawaii and i think tobaco comanys should not target kids because its probaly ilegal, it can kill the childs life. physicaly, emotionally, and mentaly, and because its just over all wrong to sell tabaco to children.

Submitted on: 1/29/2020 10:23:27 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

	Submitted By	Organization	Testifier Position	Present at Hearing	
Ī	Jennifer McGurn	Individual	Support	No	

Comments:

Vaping in Hawai'i is completely out of control, especially among our youth. I have a 24, 20 and 14 year old. Literally almost everyone they know vapes. Kids do it in class, on school campus, everywhere. We must crack down on this epidemic. We don't even know the effects of it yet. Please support this bill!

Submitted on: 1/29/2020 10:50:38 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

1/29/2020

Dear Members of the Committee,

My name is Andrea Snow, and I live and work on Maui. I lost my grandfather and aunt to lung cancer, so I understand how smoking and lung disease devastates families. My grandfather was so addicted to nicotine, he continued to secretly smoke after having part of a lung removed.

I often go into schools to speak with students about taking care of their health. It is devastating to know that many of these young people are already addicted to nicotine, through the use of electronic vaping devices.

I am in support of HB2346, because electronic smoking devices do not deserve to be exempt from tobacco taxes, and they need to taxed like other tobacco products. Currently, there is no tobacco tax attached to e-cigarettes. This bill would tax electronic smoking devices and e-liquid, which includes the e-juice as well as products with e-liquid pre-filled cartridges or pod-based products. Right now, without the tax, the price of some e-liquids is offered as low as \$0.99 cents per bottle. We need to stop this addictive product from being priced like a candy bar.

Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation. Please pass HB2346 to regulate electronic smoking devices, and stop kids from getting addicted to nicotine now before another generation faces the consequences.

Thank you,

Andrea Snow

61 Kapuai Rd.

Haiku, HI 96708

Submitted on: 1/29/2020 11:08:13 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
sanoe andaya-visser	Individual	Support	No

Comments:

I am a 7th grade student i do not think that tabaco companies should target kids. i mean unless they want kids to die.

Submitted on: 1/29/2020 11:10:24 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

I am part of a 7th grade class that doesn't support the use of vaps and or other tobacco related products and hopes that you will soon pass a law prohibiting the use of targeted ads on kids cartoons or shows that show tobacco products and other tobacco products and their risks of vaping or smoking.

Submitted on: 1/29/2020 11:13:50 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

Aloha, my name is Namahana, and I dont think they should target kids with tabacco because if kids start smoking at a young age their life could end really early and the human population could eventually lower by a lot.

Submitted on: 1/29/2020 11:15:25 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
zaesha-myah Anela okealoha ortiz	Individual	Support	No

Comments:

Im a 7th grader and i dont think that vaping is ok exspetially if the vape and tabako compony` is targeting littel kids

Submitted on: 1/29/2020 11:16:01 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
Nedabiah hoopai- feliciano	Individual	Support	No	

Comments:

I'm a 7th grader and I think the tabaco company should not target us children because if us kids start vaping or smoking cigerettes there gonna get addited to it and can't stop doing it also they will be doing it until they die. They will be dead because they were smoking sooo much cierettes and vapes

Submitted on: 1/29/2020 11:16:04 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ho'ola'i fillazar	Individual	Support	No

Comments:

im a 7th grade student and i dont think the tabaco company should target us childeren becuse if us kids start vaping or smoking cigerettes there gonna get addicted and cant stop and there gonna keep on doing it until they die and the reason there gonna be dead is because of all those things they ur smoking like the vapes and the ciggerets. And vapes have all kinds of thing in there liquid like hair spray, gasoline, clorox, laundry diturgent. And all that bad stuff can make ur lungs callaps.

Submitted on: 1/29/2020 11:17:15 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
nanea morton	Individual	Support	No

Comments:

My name is nanea morton and i am a seventh grader in hana school and i think that tobacco coumpanys sould NOT be targiting kids my age and lower, i think this because our bodys are not ready for all the chemicals in the liquid. i had a very bad experince with tobacco once, my cousin went riding on his quad and was vaping while driving and didnt look where he was going and ended up in a really bad accident. he had to be rushed to the hospital and soon died. it was very hart breakin and hedied wen he was only 13 years old. this is why i thinkntobacco coumpinays should not target young kids. - nanea

Submitted on: 1/29/2020 11:17:20 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Beverly Victorine- Dyment	Doe Hana High and Elementary	Support	No

Comments:

To Whom it may concern,

I am a Special Educational Assistant at the Hana High and Elementary School. I have been here working at the school for over 16 years have see the difference in the amount of students vaping at our school and it saddens me that there is more and more younger student are starting to vape. We as teachers and parents need to show this young generation that there is more in life to do then Vaping.

Submitted on: 1/29/2020 11:18:50 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
thomas wills	Individual	Support	Yes

Comments:

Testimony:

Date: January 29, 2020

To: Rep. Roy M. Takumi, Chair

Rep. Linda Ichiyama, Vice Chair

Members of the House Committee on Consumer Protection & Commerce

Re: Strong Support of HB 2346, Relating to Tobacco Products

Hrg: January 30, 2020 at 2:30 PM at Capitol Conference Room 329

I strongly support HB 2346, which would regulate e-liquids and electronic smoking devices (ESDs) as tobacco products through taxation, shipment, and licensing and permitting.

I support this bill because of findings from our research on Hawaii adolescents and adults conducted over the past 5 years. Recent studies have shown that ESD use is quite prevalent among Hawaii middle and high school students; in recent years 40% of high school students have used e-cigarettes. Even at younger ages, the prevalence among middle school students is over 20% of the school population.

Our research has shown that ESD use is linked to several adverse outcomes. Notably, using e-cigarettes is related to initiation of cigarette smoking among previous nonsmokers, hence is contributing to undesirable outcomes. Our findings from Hawaii have been reported in national and international scientific journals such as JAMA Pediatrics and have been confirmed in different US sites as well as in Britain, Germany, Canada, and Mexico.

Moreover, our research has shown that e-cigarette use is related to a higher likelihood of respiratory disease (asthma and COPD) among Hawaii adolescents and adults. This has been reported in the two scientific journals, Preventive Medicine and Drug and Alcohol Dependence. These findings have been confirmed in a number of independent

studies conducted in Asia and the US. Thus, there is now evidence that e-cigarette use may be linked to adverse health consequences as well as adverse behavioral consequences such as smoking initiation. In addition, there is now considerable evidence to refute the belief that e-cigarettes help adults quit smoking. Rather, empirical studies of large populations of adults have shown that people who use e-cigarettes are less likely to quit smoking and that former smokers who use e-cigarettes are more likely to relapse to smoking.

We have observed that e-cigarettes are aggressively marketed to Hawaii youth in television, 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 that are known to be related to e-cigarette use, I urge the legislature to regulate and tax e-cigarettes in a similar way to 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 HB 2346 and ask you to pass this out of committee.

Yours sincerely,

Thomas A. Wills, Ph.D.

Director, Cancer Prevention in the Pacific Program

University of Hawaii Cancer Center

Submitted on: 1/29/2020 11:21:25 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Ocean Lanakila Kanuha	Individual	Support	No

Comments:

Hi, I my name is Ocean Lanikila Kanuha and I am a 7th grader at Hana School in Hawaii. I don't think tobacco products should be targeted to kids because they can die.

Submitted on: 1/29/2020 11:44:15 AM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kristin Mills	Individual	Support	No

Comments:

As a health educator for the State Health Department and as a parent of two children, I am in support of HB2346. ALL tobacco products (including electronic smoking devices [ESDs]) need to be regulated and taxed. Further, online sales of ESDs need to be regulated to assure that our youth are not able to purchase these devices.

Regarding regulation of ESDs: Currently, the tobacco license is only \$2.50 annually and a retail permit is \$20 annually. The proposed increase of \$250 for a tobacco license and \$50 for a retailer permit are still much lower than alcohol license and permit fees.

Regarding taxing ESDs: currently these products are not taxed. ESDs and e-liquids are tobacco products and they need to be treated as so and taxed likewise. The proposed tax would be the same as other tobacco products, which is 70% of the wholesale price. Retail price of some e-liquids is offered as low as \$0.99 cents per bottle. Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit.

Regarding online Sales: This bill would prohibit online shipment of tobacco products to consumers. Only a tobacco licensee is able to purchase and ship e-cigarettes online. This aspect is CRITICAL to reduce youth who are becoming addicted to nicotine and tobacco products! Our youth need to be protected by prohibiting online sales of ESDs.

I support the intent of the bill, which seeks to fund health and education programs on the dangers of ESDs for youth and ask that language be inserted to allocate tobacco tax revenue towards these programs.

Submitted on: 1/29/2020 12:14:55 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Maya Maxym	Individual	Support	No

Comments:

Aloha,

As a pediatrician and parent, I strongly support the proposed bill to tax vaping materials and liquids as tobacco products, thereby increasing taxes and eliminating a loophole that contributes to the misguided belief among our youth that vaping is safer than smoking cigarettes, which it clearly is not. Please support this bill wholeheartedly so that we can increase protections for Hawaii's youth and appropriately tax all tobacco products, including vaping liquids and devices. Thank you.

Submitted on: 1/29/2020 12:24:23 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Kawaiolaakealoha Sanita	Individual	Support	No

Comments:

Hi I am Kawaiolaakealoha Sanita a 8th grade student ant Hana High and Elementary School. I'm here to say that tobacco products are very bad for not just minors but also adults to. Vapes, weed, cigerets ec. are all very bad and for your phycical and metal health. I know the side affects that affect minors and adults. Smoking weed can sometimes cause certian peopls brain to react differently which can cause depression and suicidal thoughts. "Marijuana use has also been linked with depression and anxiety, and with suicidal thoughts among teens" says the Center for Disease Control and Pervention. What I read from them tells me that smoking can really harm everyone espesally teens. We as a comunnity need to stop tobacco and drug abuse for our genoration.

Submitted on: 1/29/2020 12:20:55 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

Smoking is bad in general but its even worses for kids. Smoking at a young age is very bad because your brain and body or still growing and it couol effect your growth. Also it is very bad for your lungs and heath in general. It is very addictive and it is hard to stop smoking .

<u>HB-2346</u> Submitted on: 1/29/2020 12:24:39 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing	
kaimana	Individual	Oppose	No	

Comments:

you suck

Submitted on: 1/29/2020 12:29:30 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

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

Comments:

I dont think ANYONE should be targed by tabaco, especially kids, it would ruin their future. I have seen people with tabaco addictions and its not good. All we dont need is people getting addicted at a young age and it changing their furure for the worse. Once they get out in the world it will be even harder for them, and they could make it harder for other people to mabey getting them addicted too. One person can cause a chain reaction.

Submitted on: 1/29/2020 1:32:54 PM

Testimony for CPC on 1/30/2020 2:30:00 PM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Armstrong	Individual	Support	No

Comments:

Aloha, my name is Lauren Armstrong. Thank you for the opportunity to testify in **support of HB2346** to establish the offense of unlawful shipment of tobacco products, and other regulations to help control the youth vaping epidemic.

As an urban planner, I work with young people to bring their perspectives to Maui's decision making process about our island's future - their future. Their insights are invaluable, and it saddens me to see them harmed by addiction to tobacco products. We have a responsibility to do everything we can to prevent kids from vaping.

Hawai'i has one of the highest rates of youth e-cigarette use in the nation. Tobacco taxes are a proven strategy that discourages use of these products, especially among price-sensitive youth. It's important to allocate tobacco taxes to fund youth prevention and education programs. Restricting online sales to retailers only will help to limit access to underage youth.

Please **support HB 2346** to make tobacco products less accessible to our keiki.



FILIPINO BUSINESS WOMEN'S ASSOCIATION (FBWA) FBWA FOUNDATION (501-c-3 Organization) 1159 Manuwa Drive, Honolulu, Hawaii 96818

Empowering Filipino Women in Leadership is our Core Value

January 28, 2020



The Honorable Roy M. Takumi, Chair The Honorably Linda Ichiyama, Vice Chair Committee on Consumer Protection and Commerce Hawaii State Capitol Honolulu, Hawaii 96813

RE: Support for HB2346, Relating to Tobacco Products

Dear Chair Takumi, Vice Chair Ichiyama, and Members:

The Filipino Business Women's Association supports HB2346, which would help to end youth vaping in Hawaii by creating additional licensing and permitting requirements, taxing e-cigarette devices like other tobacco products, instituting online sales restrictions, and funding youth e-cigarette education and prevention programs.

As mothers, grandmothers, aunties, and *ninangs*, our members are extremely concerned about the health of our Filipino youth. We are concerned by the statistics that Hawaii has the highest reported vaping rate among middle schoolers and the second highest vaping rate among high schoolers in the nation: 15.7% of middle schoolers and 25.5% of high schoolers reported that they have vaped.

We are also extremely concerned about the impacts of e-cigarettes on the Filipino community. Vaping among Filipino youth is even higher than it is among the general student population. With flavors such as mango, lychee, *ube*, and more, manufacturers and marketers of electronic smoking devices have found a way to specifically target and hook young *kababayans*. The flavors have proven to be alluring and addictive - research has shown that more than 80 percent of who have used tobacco started with a flavored product such as e-liquids or nicotine pods.

Social pressures have also contributed to the spread of vaping within the Filipino community. A California study found that among Filipino youth, 86% of e-cigarette users began because their friends started to vape. The same study also found that Filipino youth were vaping at twice the rate of their other Asian American peers.

Because of these negative impacts on our community, we urge you to pass HB2346, Relating to Tobacco Products, and other measures aimed at curbing the e-cigarette epidemic among our youth.

Very sincerely,

Fu Caita M. Velores

Fe Edita M. Velasco President Filipino Business Women's Association



TESTIMONY OF TINA YAMAKI PRESIDENT RETAIL MERCHANTS OF HAWAII January 30, 2020

Re: HB 2346 Relating to Tobacco Products

Good afternoon Chairperson 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) as founded in 1901 and is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. The retail industry is one of the largest employers in the state, employing 25% of the labor force.

We OPPOSE HB 2346 Relating to Tobacco Products. This bill establishes the offense of unlawful shipment of tobacco products. Includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products. Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products. Allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs about the risks and dangers of the use of electronic smoking devices for youth. Repeals certain provisions of the Hawaii Revised Statutes relating to electronic smoking devices. Effective January 1, 2021.

It is not fair to categorize vapor products and e-liquids as a tobacco product. They are not the same. Many E-cigarettes contains NO tobacco and NO smoke is emitted when vaporized. The New England Journal of Medicine published an article last year that found that e-cigarettes were nearly twice as effective as conventional nicotine replacement products, like patches and gum, for quitting smoking. The study was conducted in Britain and funded by the National Institute for Health Research and Cancer Research UK.

Retail has changed over the years in how products are purchased. We are seeing a surge in online sales for all types of merchandise. It almost impossible for anyone under the age of 21 to purchase vape products from reputable law abiding local online or at a brick and mortar retail stores. The online verifications vetting process is intense to ensure those purchasing are 21 or older.

Many retailers statewide are already operating on a thin margin and face stiff competition. Raising the tobacco tax and permit fee will truly hurt locally owned businesses, especially the small locally owned businesses' and may potentially force some of them to close. This would mean the convenient corner store would be gone and leaving people out of work.

We urge you to hold this measure. Mahalo for this opportunity to testify.



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

Executive Officers

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TO:

Committee on Consumer Protection and Commerce

Rep. Roy M. Takumi, Chair Rep. Linda Ichiyama,, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: January 30, 2020

TIME: 2:30pm

PLACE: Conference Room 329

RE: HB2346 Relating to Tobacco Products

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

We are in favor of portions of this bill that seek to regulate the shipping of electronic smoking devices and e-liquid. During the October 17, 2029 informational briefing on vaping that this Committee held jointly with the Senate Committee on Commerce Consumer Protection and Health experts discussed the fact that almost 90% of underage people who use electronic smoking devises buy them online or get them from their friends. Very few purchase them in stores where they are already subject to age restrictions. Regulating the shipping of these products is a common sense way to keep them out of the hands of young people.

We oppose the section of this bill that seek to increase fees on retail tobacco licenses and permits. This measure would increase the license fee for tobacco by 10,000%, which is excessive and unnecessary.

Hawaii has the second highest tobacco taxes of any state. By attempting to increase license and permit fees, this bill unfairly and misguidedly targets retailers and wholesalers rather than tobacco users.

There is no nexus between license fees and smoking cessation. Retailer license fees exist to pay for the licensing process and enforcement; these fees were not created to fund other programs. Using licensing fees to fund programs for which they were not intended creates a situation where fees are likely to rise unpredictably, this impedes retailers' ability to budget and creates unnecessary financial and administrative burdens. We thank you for the opportunity to testify.



(808)699-9839

January 29, 2020



Honorable Chair Representatives Roy Takumi
Honorable Vice-Chair Representatives Linda Ichiyama
Members of the Committee on Consumer Protection & Commerce

RE: Strong Support of HB2346, Relating to Electronic Smoking Products

Dear Representatives Takumi, Ichiyama, and members of the Committee on Consumer Protection & Commerce,

This measure is extremely critical to the health of the children of our state and our entire state as well. Please vote in favor of HB2346, Relating to Electronic Smoking Products.

I am Executive Director of the Hawaii COPD Coalition and serve over 45,000 Hawaii adults diagnosed with COPD in Hawaii (with an estimated equal number still undiagnosed). Since 2007, I have worked in Hawaii, nationally and internationally with countless people who have had their lungs and lives horribly affected by tobacco and nicotine.

We are grateful that this legislature has been the first in the nation to pass legislation banning the sale of tobacco and electronic smoking devices to people under 21 in Hawaii. Unfortunately, that doesn't stem the growing epidemic of young people and adults in our state who are smoking electronic smoking devices, commonly referred to as ESDs, e-cigs, or vaping.

With 168,000 young people in our schools and with 42% of all high school students and 27% of middle schoolers reporting ever having used an "electronic vaping product" in 2017, we have an urgent need to act. All our young people deserve protection from a lifetime of addiction.

This bill will regulate e-cigarettes by requiring tobacco licenses and/or permits to be obtained by e-cigarette retailers and wholesalers, establishing a tax on e-liquid products, and only allow shipment of online sales of ESDs to those who have tobacco licenses.

There is currently very little education among those who are supposed to enforce current or future laws and regulations regarding ESD retailers. The current tobacco tax of \$2.50 annually and retail permit of \$20 annually is wholly inadequate to help reimburse for the education and outreach needed. The proposed increase of \$250 for a tobacco license and \$50 for a retailer permit is much lower than the \$2,640/year Honolulu wholesale liquor license.

There is currently no tobacco tax attached to e-cigarettes. Some e-liquids are being offered at prices as low as \$0.99/bottle! Taxing tobacco products and cigarettes are an extremely effective proven strategy to reduce youth initiation and encourage those who do smoke or use tobacco products to quit. These tax funds can be used to fund Electronic Smoking Device health and education programs for youth! There is a study in Hawaii showing that ESDs is significantly related to chronic lung conditions in users. This study is:

https://www.ncbi.nlm.nih.gov/pubmed/30472577

<u>Drug Alcohol Depend.</u> 2019 Jan 1;194:363-370. doi: 10.1016/j.drugalcdep.2018.10.004. Epub 2018 Nov 7. **E-cigarette use and respiratory disorder in an adult sample.** <u>Wills TA¹, Pagano I², Williams RJ³, Tam EK⁴. This is the first study to show a significant independent association of ecigarette use with chronic respiratory disorder.</u>

Please help protect the lungs and lives of our children from these very harmful products that are spreading virally in our schools, from elementary through high school and beyond. **We urge you to please vote in favor of HB2346 and pass it out of committee so it can become law.** The Hawaii COPD Coalition thanks you very much for your careful consideration of this most important and timely bill.

Very truly yours,

Valerie Chang

Valerie Chang Executive Director

Testimony to House Committee on Consumer Protection and Commerce

Thursday, January 30, 2020; 2:30 p.m. State Capitol, Conference Room 329

Dear Chair Takumi, Chair Ichiyama, and Members of the Joint Committee,



My name is Ramic Santiago and I support HB 2346: Relating to Tobacco Products.

There are too many children under 18 that are choosing to vape in Hawaii. According to the Center for Disease Control and Prevention Hawai'i ranks second in children ranging from 6th to 12th grade who choose to vape (1). According to Kaiser Health News numbers reported in 2018 translate to 3 million high school students nationally who vape. These staggering numbers continue to rise with advancements in vaping technology. Vaping devices can come in a variety of sizes and others like the JUUL product which is the size of a small USB port and can be used almost undetectable. Nicotine levels are manipulated and highly concentrated like the JUUL that can contain as much nicotine as 20 packs of cigarettes.

Nicotine is extremely unhealthy for youth because it can be extremely harmful to the developmental process in the youths brain and nicotine causes changes in the brains synapses which are built faster than the adults brain (1). Most e cigs contain nicotine and nicotine use in adolescence may further the risk for future addiction to drugs (1). There are many carcinogenic chemicals used in the production of e-cigs including cancer-causing compounds and heavy metals such as nickel, tin, and lead (1).

Many vaping products come with or are used with flavor additives such as candy flavorings. These flavorings are targeted at making nicotine products familiar to youth and make the vaping product more palatable to taste than traditional burning tobacco products which are restricted by the 2009 Family Smoking Prevention and Tobacco Control Act which banned fruit and candy flavorings in cigarettes but did not include smokeless tobacco products like chew and e-cigs.

As of January 2020 the Trump administration has enacted a ban on the flavoring of e-cigarettes which use pre filled cartridges but does not include tank based systems where users fill their own nicotine and flavor mixturing(2). Furthermore, mentol pre-filled vaping devices are excluded from the ban (2). According to the National Institute on Drug Abuse 66% of teens vape only flavoring (2). Banning pre-filled e-cig products will have little effect when teens can still get ahold of products that contain flavored vaping products like fillable tank systems.

Hawaii needs to further the Trump administration's efforts to reduce the increasing number of underage children who use vaping products. Hawaii needs to ban all flavored vaping products in the state to fight the epidemic of underage teen vaping.

Sincerely,

Ramic P.H. Santiago, B.S. 1614 Emerson Street # 5 Honolulu, Hawaii 96813

Resources

- 1. Center for Disease Control and Prevention(2019). Smoking and Tobacco Use
- 2. MarketWatch.(2020). Federal Government Bans Popular E-cig Flavors to the Curb.
- 3. NIH National Institute on Drug Abuse.(2015). Teens and E-cigs.

Testimony to House Committee on Consumer Protection and Commerce Thursday, January 30, 2020; 2:30 p.m. State Capitol, Conference Room 329

Dear Chair Takumi, Chair Ichiyama, and Members of the Joint Committee,

I support HB 2346: Relating to Tobacco Products.

Tobacco killed my husband last March from smoking. He ended up dying from COPD and had lung cancer. He suffered greatly before he passed away and died an early death.

We have 6 grandchildren that I don't want to have the same fate as their grandfather. Our keiki are a vulnerable group and must be protected. Don't make it easy for electronic smoking devices to get into the hands of our kids from accessibility online and for being cheap to buy.

Please pass HB 2346 to save our children for the future.

Sincerely,

Jennifer Hausler Pearl City, 96782

Written Testimony Presented Before the Committee on Consumer Protection & Commerce Hearing: February 30, 2019 at 2:30pm Conference Room 329



From: Malia Agustin

Testimony in support of <u>HB 2346</u>, Relating to Tobacco Products.

Submitted to: The House of Representatives Committee on <u>Consumer Protection & Commerce</u> in Conference Room 329.

Aloha House of Representatives Chair Roy M. Takumi, Vice Chair Linda Ichiyama and Members of the Committee,

I strongly support HB 2346 to establish the offense of unlawful shipment of tobacco products as well as increase the license fee and sale of electronic smoking tobacco products. The reason I support this bill is because there is a need to prevent and reduce the access of these devices amongst youth. The state of Hawai'i has the highest reported rate of vaping amongst youth in the nation. I work as a research assistant and health educator with the Waianae Coast Comprehensive Health Center. Our health center established school based health centers in intermediate and high school schools along the leeward coast. The health education topics we present in schools focus on issues identified by students and school staff, such as youth vaping/tobacco use, suicide prevention, prescription drug abuse and reproductive health education, which are not always readily available in the school curriculum. Through in class surveys, students have voiced that they themselves and their families are suffering from multiple health issues, such as chronic asthma, diabetes, various cancers, suicidal ideation, bullying, depression and drug abuse. Our goal is to help students recognize their health status and increase health literacy for an overall change in their longevity and quality of life. By setting standards recommended in this bill and implementing fees we hope to protect our youth from health issues caused from the use of electronic smoking devices.

With this in mind, I strongly urge you to support passage of HB 2346.

Mahalo nui loa for your consideration,

Malia Agustin

Malia agustin

Submitted on: 1/29/2020 5:44:20 PM

Testimony for CPC on 1/30/2020 2:30:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Loor	Individual	Support	No

Comments:

My name is Lauren Loor and I am a resident of Maui County. I strongly support HB2346 and I ask members of the Consumer Protection and Commerce committe to please support this bill. Hawai'i has one of the highest rates of youth e-cigarette use in the nation. My fiance is a high school biology teacher and everyday he sees students who are addicted to e-cigarettes and vaping and cannot concentrate in school. This epidemic is painful to see, youth should not be the ones to suffer becuase e-cigarettes have evaded many of the tobacco regulations that have been enforced for most tobacco products. Tobacco taxes are a proven strategy that discourages use of these products, especially among price-sensitive youth. It's important to allocate tobacco taxes to fund youth prevention and education programs. Restricting online sales to retailers only will help to limit access to underage youth. Please support this bill so we can begin to reverse the damage that has been caused by e-cigarettes and vapes. Thank you for your time and consideration.

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P.O. Box 23404 Honolulu Hawai'i 96823

Stephen O'Harrow

Lyn Pyle

January 29, 2020

TO: Honorable Chair Takumi and Members of the CPC Committee



RE: HB 2346 Relating to Tobacco Products

Support for hearing on Jan. 30

Americans for Democratic Action is an organization founded in the 1950s by leading supporters of the New Deal and led by Patsy Mink in the 1970s. We are devoted to the promotion of progressive public policies.

We support HB 2346 as it would regulate e-cigarettes. They have evaded many of the tobacco regulations that led to historically low smoking rates. With the abundance of both brick-and-mortar and online retailers selling these products for as little as \$1, they are cheap and easily accessible to our children. This bill helps to reverse this alarming statistic through licensing and permitting, taxation, online sales restrictions, and funding for youth e-cigarette education and prevention programs.

Thank you for your favorable consideration.

Sincerely,

John Bickel President



Submitted on: 1/29/2020 10:27:46 PM Testimony for CPC on 1/30/2020 2:30:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Tam	Individual	Support	No

Comments:

I write in enthusiastic support of HB2346. PLEASE bring e-cigarettes under similar restrictions as tobacco products:

- 1. Require e-cigarette retailers and wholesalers to obtain a tobacco license and/or permit;
- 2. Tax e-liquid and electronic smoking devices at 70% of the wholesale price; and
- 3. Restrict the shipment of online purchases of ESDs only to those with a tobacco license.
- 4. Support and fund education of our youth about the addictive intent of tobacco companies and their advertising, and about the dangers of using electronic nicotine-delivery devices.

Thank you for your consideration

Submitted on: 1/30/2020 6:58:30 AM

Testimony for CPC on 1/30/2020 2:30:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Hawaii Smokers Alliance	Oppose	No

Comments:

This bill is an affront to civil liberties and an attack on job providing businesses. Please vote to hold this awful bill in committee.

Submitted on: 1/30/2020 9:32:28 AM

Testimony for CPC on 1/30/2020 2:30:00 PM



Submitted By	Organization	l estifier Position	Present at Hearing
koalii shamblin	Individual	Support	No

Comments:

My name koalii im from hana school from Maui, Hawaii. Tobacco is bad for everyone and it can give you cancer and can hurt a lot of kids if people are trying to hurt and kill other people and children when they dont want to be hurt.

Submitted on: 1/30/2020 9:32:55 AM

Testimony for CPC on 1/30/2020 2:30:00 PM



Submitted By	Organization	l estifier Position	Present at Hearing
janaiah kaupe	Individual	Support	No

Comments:

Aloha i am a 7th grade student that thinks vaping / tabacco company's should not be allowed to target children because it leads them to the hospital or can kill because of the nicotine and vapor, tabacco can also give you cancer and can cause popcorn lungs and can cause your lungs to collapse. People who use or smoke tabacco can also get yellow / rotten teeth thats why tacacco company's should stop selling or targeting children under age .

Submitted on: 1/30/2020 11:36:53 AM

Testimony for CPC on 1/30/2020 2:30:00 PM



Submitted By	Organization	Testifier Position	Present at Hearing	
John A. H. Tomoso	Individual	Support	No	

Comments:

H2346

I am in support of this Bill and also advocate that "regulation of on-line sales" be included.

John A. H. Tomoso+

Member: CTFH-Maui

51 Kuula St., Kahului, HI 96732-2906

CC: CTFH-Maui