STAND. COM. REP. NO. 208 Honolulu, Hawaii , 2023 APR 06 RE: S.B. No. 975 S.D. 2 H.D. 3

Honorable Scott K. Saiki Speaker, House of Representatives Thirty-Second State Legislature Regular Session of 2023 State of Hawaii

Sir:

Your Committee on Finance, to which was referred S.B. No. 975, S.D. 2, H.D. 2, entitled:

"A BILL FOR AN ACT RELATING TO HEALTH,"

begs leave to report as follows:

The purpose of this measure is to:

- Establish the offense of unlawful shipment of tobacco products;
- (2) Include electronic smoking devices and e-liquids under the definition of "tobacco products" for purposes of the cigarette tax and tobacco tax law;
- (3) Beginning January 1, 2024, impose an excise tax on each electronic smoking device or e-liquid sold, used, or possessed by a wholesaler or dealer;
- (4) Increase the license and permit fees for wholesalers, dealers, and retailers;
- (5) Repeal the electronic smoking device retailer registration unit under the Department of the Attorney General; and



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(6) Repeal provisions governing delivery sales of electronic smoking devices.

Your Committee received testimony in support of this measure from the Department of the Attorney General, University of Hawai'i John A. Burns School of Medicine, one member of the Hawai'i County Council, University of Hawai'i Student Health Advisory Council, Hawai'i Primary Care Association, Hawaii Substance Abuse Coalition, Hawai'i Association of Independent Schools, AlohaCare, Hawaii Medical Association, Hawaii Dental Association, Hawaii Medical Service Association, Hawai'i Public Health Association, and numerous individuals. Your Committee received testimony in opposition to this measure from the Retail Merchants of Hawaii; Americans for Tax Reform; Hawaii Smokers Alliance; Cigar Association of America, Inc.; VOLCANO Vape Shops; ABC Stores; Consumer Choice Center; and numerous individuals. Your Committee received comments on this measure from the Department of Health, Department of Taxation, Coalition for a Tobacco-Free Hawai'i, American Lung Association in Hawai'i, Hawaii State Teachers Association, Parents and Children Together, Papa Ola Lokahi, Hawai'i State Youth Commission, American Heart Association, Campaign for Tobacco-Free Kids, Coalition for a Tobacco-Free Hawaii's Youth Council, Tax Foundation of Hawaii, and numerous individuals.

Your Committee has amended this measure by:

- (1) Changing the license and permit fees for wholesalers, dealers, and retailers to unspecified amounts; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Finance that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 975, S.D. 2, H.D. 2, as amended herein, and recommends that it pass Third Reading in the form attached hereto as S.B. No. 975, S.D. 2, H.D. 3.



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

KYLE T. YAMASHITA, Chair

2023-3189 SB975 HD3 HSCR HMSO

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Record of Votes of the Committee on Finance

Bill/Resolution No.: SB975, SD2, HC)2 Committe	e Referral: JHA, FI	N Date	4/4/23	····
D The committee is reconside	ering its previous decision	n on the measure.			
The recommendation is to: Pass, unamended (as is) Pass, with amendments (HD) Hold Pass short form bill with HD to recommit for future public hearing (recommit)					
FIN Mem	bers	Ayes	Ayes (WR)	Nays	Excused
1. YAMASHITA, Kyle 7	Г. (С)			n de Westernen Andersternen Statisticae	
2. KITAGAWA, Lisa (V	(C)				
3. AIU, Micah P.K.		V .			
4. CHUN, Cory M.	ar silaniya disensisi serengi - 1, 42, 5 yalar kutokerin silandar	V	na ann agus an gu an an agus an taonachanan	Tour Security (1991) and the second	an a
5. COCHRAN, Elle		V			
6. GARRETT, Andrew	Fakuya				
7. KAHALOA, Kirstin		\checkmark			
 KILA, Darius K. KOBAYASHI, Bertra 				Mag : 이번 4 같은 1 편 - 1 같은 사람들 위험	
9. KOBAYASHI, Bertra 10. LAMOSAO, Rachele					
11. MORIKAWA, Dee		V V		n de la destruction de	
12. NISHIMOTO, Scott Y	ζ.		in and a state of the state	y and a sign of	
13. POEPOE, Mahina					
14. TAKENOUCHI, Jenn	a		andre indexemption and an and a second se	produkt, Balli i Andala Honoria Mandrid Companya a Later e de Sine Transferi	
15. ALCOS III, David		V			
16. WARD, Gene		·			\checkmark
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TOTAL (16)		14	0	0	2
The recommendation is:	Adopted If joint referral,	Not Adopted did not support recommendation. committee acronym(s)			
Vice Chair's or designee's sig	nature: KAM	physan	/		
Distribution: Original (Whit	e) – Committee Du	plicate (Yellow) –	Chief Clerk's Office	e Duplicate (F	ink) – HMSO