STAND. COM. REP. NO. <u>167-20</u> Honolulu, Hawaii

, 2020

RE: H.B. No. 2540 H.D. 1

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

Your Committee on Health, to which was referred H.B. No. 2540 entitled:

"A BILL FOR AN ACT RELATING TO CIGARETTES."

begs leave to report as follows:

The purpose of this measure is to ban the sale of cigarettes and electronic cigarettes in the State by gradually increasing the minimum age to purchase cigarettes and electronic cigarettes, but not other tobacco products, over a period of five years.

Your Committee received testimony in support of this measure from Hawaii Pacific Health, Surfrider Oahu, Hawaii Primary Care Association, and three individuals. Your Committee received testimony in opposition to this measure from JT International U.S.A., Inc.; Hawaii Smokers Alliance; and five individuals. Your Committee received comments on this measure from the Coalition for a Tobacco-Free Hawaii.

Your Committee finds that cigarettes pose serious health risks to persons in the State. Your Committee further finds that one of the most effective ways of deterring cigarette use is to regulate the legal use of cigarettes in combination with a tax increase on cigarettes that disincentivizes such use.

Your Committee has amended this measure by:

- (1) Removing the gradual prohibition based on age on the sale or furnishment of cigarettes and electronic cigarettes;
- (2) Increasing the excise tax to an unspecified amount for each cigarette sold, used, or possessed by a wholesaler or dealer;
 - (3) Changing the effective date to July 1, 2050, to encourage further discussion; and
 - (4) Making technical, nonsubstantive amendments for the purposes of clarity, consistency, and style.

As affirmed by the record of votes of the members of your Committee on Health that is attached to this report, your Committee is in accord with the intent and purpose of H.B. No. 2540, as amended herein, and recommends that it pass Second Reading in the form attached hereto as H.B. No. 2540, H.D. 1, and be referred to your Committees on Consumer Protection & Commerce and Judiciary.

Respectfully submitted on behalf of	of the members of the Committee on
Health,	
JOHN M. MIZUNO. Chair	