

SB 847

LINDA LINGLE
GOVERNOR

JAMES R. AIONA, JR.
LT. GOVERNOR



KURT KAWAFUCHI
DIRECTOR OF TAXATION

SANDRA L. YAHIRO
DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
P.O. BOX 259
HONOLULU, HAWAII 96809

PHONE NO: (808) 587-1510
FAX NO: (808) 587-1560

**SENATE COMMITTEE ON HEALTH
TESTIMONY REGARDING SB 847
RELATING TO TOBACCO**

TESTIFIER: KURT KAWAFUCHI, DIRECTOR OF TAXATION (OR DESIGNEE)

DATE: FEBRUARY 9, 2009

TIME: 2:45PM

ROOM: 016

This bill proposes to amend Act 131, Session Laws of Hawaii 2005, by amending section 9 by deleting the repeal date.

The Department of Taxation (Department) **strongly supports** this legislation.

SIGNIFICANT TIME, EFFORT, AND MONEY HAS GONE INTO MAKING SURE THE ENFORCEMENT OF THIS LAW IS A TOP PRIORITY.

The Department strongly supports this legislation. The Department, in connection with the Tobacco Enforcement Unit of the Department of the Attorney General, has expended significant time and effort in what has been a successful effort to enforce the tobacco tax laws of Hawaii.

The Department has promulgated administrative rules related to enforcement. The Department has also coordinated extensively with the Attorney General's Tobacco Enforcement Unit. Enforcement of Act 131 is up and running. Allowing the Act to repeal would be a sever hit to the enforcement efforts and subsequent revenue realized from the permitting of tobacco retailers.

The Department strongly supports making Act 131 permanent and encourages the Committee to pass this measure unamended.

The Department projects that any loss in enforcement efforts in the monitoring of tobacco retailers could result in a revenue loss of approximately \$5.3 million per year.



February 8, 2009

Committee on Health
Senator David Ige, Chair
Senator Josh Green, MD, Vice Chair

Hearing:

2:45 P.M., Monday, February 9, 2009
Hawaii State Capitol, Room 016

RE: SB847, Relating to Tobacco

Testimony in Support

Chair Ige, Vice Chair Dr. Green, and members of the Committee on Health. My name is George Massengale and I am the Director of Government Relations for the American Cancer Society Hawaii Pacific Inc. Thank you for the opportunity to testify in support of SB847, which would remove the sunset clause in Act131, thus retaining retail tobacco sales permits.

The American Cancer Society Hawaii Pacific Inc., was founded in 1948, and is a community-based, voluntary health organization dedicated to eliminating cancer as a major health problem by preventing cancer, saving lives, and diminishing suffering from cancer, through research, education, advocacy, and service. This mission includes advocating for effective tobacco control measures to reduce and prevent smoking by children and young adults.

In 2005, the legislature passed Act 131, which mandated that businesses engaged in the sale of cigarettes and other tobacco products at the retail level acquire a retail tobacco permit from the Department of Taxation. Removing the sunset clause will keep in place the provisions of Act 131. In addition to the tax revenues being collected, **the permitting law has had an impact on our youth smoking rates, which is slightly under 10%**. The issuing of retail tobacco sales permits enabled the State to compile an accurate list of retail tobacco vendors. The list was then utilized for SYNAR compliance inspections.

In 1992, Congress enacted legislation aimed at decreasing youth access to tobacco products. The legislation, known as the SYNAR Regulation (named for Congressman Mike Synar of Oklahoma), it requires states to enact and enforce laws prohibiting any manufacturer, retailer, or distributor from selling or distributing tobacco products to individuals under 18 years of age. In addition to enacting and enforcing a law, states must implement annual random, unannounced compliance inspections (RUIs) to determine their buy rates of tobacco products sold to youth under the age of 18.

Tobacco sales to minors in Hawaii are declining because of youth public education, counter marketing, prevention efforts and SYNAR compliance, of which retail tobacco sales permits are an integral component.

American Cancer Society Hawai'i Pacific, Inc., 2370 Nu'uauu Avenue, Honolulu, Hawaii 96817-1714
•Phone: (808) 595-7500 •Fax: (808) 595-7502 •24-Hour Cancer Info: (800) 227-2345 •<http://www.cancer.org>

We would like comment on the current retail permit fee of \$20.00. During fiscal year 2007-2008, 1,561 permits were issued and generated \$31,220, in fees. We would request that additional language be including in this measure raising the fee from \$20.00 to \$50.00. We believe that this will also deter youth smoking rates even further, and raise additional revenues.

We would request that SB847, be passed on for additional hearings by the Senate Ways & Means Committee.

Mahalo for the opportunity to provide testimony in support this measure. Please do not hesitate to contact me directly if you required any additional information.

Sincerely,

A handwritten signature in black ink, appearing to read 'G. Massengale', written in a cursive style.

George Massengale, JD
Director of Government Relations



American Heart Association | American Stroke Association

Learn and Live.

Serving Hawaii

Testimony for SB 847, Relating To Tobacco

The American Heart Association of Hawaii supports SB 847 to repeal the sunset clause in Act 131, Session Laws of Hawaii 2005, and require tobacco retailers to acquire a permit. The permitting, and threat of loss of a permit to sell tobacco, can be an effective deterrent to those who would illegally sell tobacco products to a minor. It is one part of a scientifically-based, comprehensive effort that has been proven to help reach the goal of reducing youth access to tobacco. It also provides the Attorney General's office with an important tool to identify locations selling tobacco to insure that those retailers pay the appropriate taxes on their sales.

In Hawaii each year, there are close to 1,100 deaths related to tobacco use. That amounts to almost 12 percent of all resident deaths. Tobacco use is *the* most preventable cause of premature death. Each year, smoking kills more people than AIDS, alcohol, drug abuse, car crashes, murders, suicides, and fires *combined*. Tobacco use costs Hawaii over a half-billion dollars annually in medical costs and lost productivity. Tobacco remains the only legal, consumable product that when used as directed will kill approximately one-third of its users.

Most smokers begin their nicotine addiction as a teen or youth. The success that Hawaii has had in reducing teen smoking levels could quickly reverse as tobacco education, prevention and cessation funding falls victim to inflation and threats of cuts due to economic pressures to the state. Add to that increasingly clever tobacco industry efforts to target young potential smokers through marketing and advertising campaigns, and the need for vigilant surveillance of, and enforcement against, those who would sell tobacco to minors is magnified.

The American Heart Association feels that making the requirement to obtain a permit to sell tobacco, as proposed by SB 847, would provide a strong deterrent to those who might purposely, or accidentally, sell tobacco to minors. It would encourage retailers to be more vigilant in insuring that their sales staff is trained in checking for appropriate age identification when selling tobacco products.

The AHA urges Hawaii legislators to pass SB 847.

Respectfully submitted,

Donald B. Weisman
Hawaii Communications and Marketing/Government Affairs Director

Serving Hawaii since 1948

For information on the AHA's educational or research programs, contact your nearest AHA office, or visit our web site at www.americanheart.org or e-mail us at hawaii@heart.org

Oahu:
677 Ala Moana Blvd., Ste. 600
Honolulu, HI 96813-5485
Phone: 808-538-7021
Fax: 808-538-3443

Maul County:
J. Walter Cameron Center
95 Mahalani Street, No. 13
Wailuku, HI 96793-2598
Phone: 808-224-7185
Fax: 808-224-7220

Hawaii:
400 Hualani Street, Ste. 15
Hilo, HI 96720-4333
Phone: 808-961-2825
Fax: 808-961-2827

Kauai:
(Serviced by Oahu office)
Phone: 808-538-7021
Fax: 808-538-3443

*"Building healthier lives,
free of cardiovascular
diseases and stroke."*



COALITION FOR A
TOBACCO-FREE HAWAII

To: Senator David Y. Ige, Chair, Committee on Health
Senator Josh Green, MD, Vice Chair, Committee on Health
Members, Senate Committee on Health
From: Trisha Y. Nakamura, Policy and Advocacy Director 
Date: February 6, 2009
Hrg: Senate Committee on Health; February 9, 2009 at 2:45 p.m.
Re: **Strong Support for SB 847, Relating to Tobacco**

Thank you for the opportunity to testify in strong support of SB 847 which would repeal the sunset date of July 1, 2009 of the retail tobacco permit law: Act 131, Session Laws of Hawaii 2005.

The Coalition for a Tobacco Free Hawaii (Coalition) is the only independent organization in Hawaii whose sole mission is to reduce tobacco use through education, policy and advocacy. The Coalition provides leadership for the tobacco control community, develops networks, helps coordinate tobacco control programs, and builds community awareness.

The retail tobacco permit requires tobacco retailers to acquire a permit from the Department of Taxation to sell tobacco. The permit helps our State maintain a complete list of tobacco retailers that is used to help enforce tobacco laws, including verifying that retailers are selling cigarettes that are tax-stamped as well as not selling tobacco to minors.

Comprehensive efforts in tobacco control have led to a significant drop in high school smoking rates which are below 10%. Requiring that tobacco retailers obtain permits is part of this comprehensive approach to reduce youth smoking.

Please ensure the tobacco permit law is not repealed. Please pass SB 847 out of Committee. Thank you for the opportunity to testify on this matter.



Senator David Ige, Chair
Senator Josh Green, Vice Chair
Committee on Health
State Capitol, Honolulu, Hawaii 96813

HEARING Monday, February 09, 2009
 2:45 pm
 Conference Room 016

RE: **SB 847, Relating to Tobacco**

Chair Ige, Vice Chair Green, and Members of the Committee:

Retail Merchants of Hawaii (RMH) is a not-for-profit trade organization representing 200 members and over 2,000 storefronts, and is committed to support the retail industry and business in general in Hawaii.

RMH opposes SB847, which removes the sunset clause in Act 131, Session Laws of Hawaii 2005, which contains a repeal date of July 1, 2009, and keeps in place the requirement that an entity engaged in the retail sale of cigarettes or other tobacco products obtain a retail tobacco permit.

Retail sales have declined steadily since the second quarter of 2008. Holiday sales, which account for 25% to 40% of a retailer's annual business, were down double digits this year. Hawaii's retailers are struggling to maintain operations, and, more specifically, to retain their employees and avoid layoffs.

Allowing the repeal of Act 313, Session Laws of Hawaii 2005, would keep valuable cash resources in retailers accounts and, hopefully, **keep their doors open for business.**

We respectfully request that you hold SB847. Thank you for your consideration and for the opportunity to comment on this measure.

President

RETAIL MERCHANTS OF HAWAII
1240 Ala Moana Boulevard, Suite 215
Honolulu, HI 96814
ph: 808-592-4200 / fax: 808-592-4202

Written Testimony SB 847, pg. 1 of 1

February 6, 2009

**TO: Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair
Committee on Health**

**RE: TESTIMONY IN SUPPORT OF SB 847
Relating to Tobacco
Hearing on Monday, February 9, 2009, 2:45 p.m.
Conference Room 106, State Capitol**

My name is Jay Ihara and I'm the SMART Moves & Prevention Director with the Boys & Girls Club of the Big Island. I am testifying in support of SB 847 Relating to Tobacco, which would remove the sunset clause in Act 131, Session Laws of Hawaii 2005, which contains a repeal date of July 1, 2009, and keeps in place the requirement that an entity engaged in the retail sale of cigarettes or other tobacco products obtain a retail tobacco permit.

The permit helps our State maintain a complete list of tobacco retailers to help enforce various laws related to tobacco—including making sure retailers are selling cigarettes that are taxed, as well as not selling tobacco to minors.

Comprehensive efforts in tobacco control have led to a significant drop in our high school smoking rates, which are now below 10%.

Requiring tobacco retailers to obtain permits ensures is part of this comprehensive approach to reduce youth smoking.

Please eliminate the sunset date of the retail tobacco permitting law by passing SB 847 out of Committee.

Please accept this as my written testimony. Thank you in advance for your consideration. Please contact me if you have any questions.

Sincerely,



Jay Ihara
SMART Moves & Prevention Director
Boys & Girls Club of the Big Island
100 Kamakahonu St. Hilo, HI 96720
(808) 961-5536 Ext. 103
email: jay@bgcbi.com



Oahu
680 Iwilei Road, Suite 575
Honolulu, HI 96817
Tel: (808) 537-5986
Fax: (808) 537-5971
lung@ala-hawaii.org

Kauai
2992 Umi Street
Lihue, HI 96766
Tel: (808) 245-4142
Fax: (808) 245-8488
alahkauai@ala-hawaii.org

MauI
95 Mahalani Street,
Suite # 28-1A
Wailuku, HI 96793
Tel: (808) 244-5110
Fax: (808) 242-9041
alahmaui@ala-hawaii.org

Hawaii
39 Ululani Street
Hilo, HI 96720
Tel: (808) 935-1208
Fax: (808) 935-7474
alahhi@ala-hawaii.org

Website:
www.ala-hawaii.org

E-mail:
lung@ala-hawaii.org

Lung HelpLine
1-800- LUNG-USA
(586-4872)

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Improving Life

One Breath at a Time

Founded in 1904, the
American Lung Association
includes affiliated associations
throughout the U.S.

TO: Senate Committee on Health

**FOR: Hearing scheduled for 2:45 pm
Monday February 9, 2009**

**RE: TESTIMONY IN STRONG SUPPORT SB 847 Relating to
Tobacco**

Chair Ige, Vice Chair Green and Committee Members:

The American Lung Association of Hawaii (ALA in Hawaii) strongly supports SB 847, which extends without time limit the requirement for retailers who sell tobacco to obtain a retail tobacco permit from the Department of Taxation.

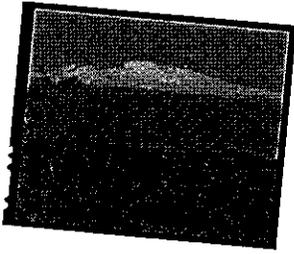
Removal of the provision in the existing law that sunsets the permit requirement in July 2009 would ensure continuation of an important element in the ongoing effort to regulate and control tobacco use among Hawaii's minors. Although the percentage of frequent smokers among high school students is declining (and stands presently at approximately 9.7 percent), surveys indicate nearly 7 out of 10 high school students in Hawaii have tried smoking.

The most recent statistic available from the Hawaii Department of Health reveal that "1 in 6 Hawaii high school underage smokers who bought their last pack of cigarettes in a store were neither asked to show ID nor refused sale, according to a student survey."

Clearly, improved regulation and monitoring of tobacco retail sales is required to help stem the illegal sale of tobacco products to minors. ALA of Hawaii believes adoption of SB 847 will be an important step in achieving that goal.

Respectively submitted,

Jean Evans, MPH
Executive Director
American Lung Association in Hawaii



Tobacco-Free Big Island

ADDRESS

1097 Pukana Street
Hilo, HI 96720

PHONE

(808) 896-1670

FAX

1-866-375-7216

EMAIL

livetobaccofree@hawaii.rr.com

WEB

www.tobaccofreebigisland.net

MISSION

"To provide tools to inspire all segments of our diverse community to eliminate tobacco use and exposure in East Hawaii."

ACTIVE MEMBERS

American Cancer Society, East Hawaii Unit
American Lung Association of Hawaii
American Heart Association, Hawaii Island
Hamakua Health Center
Bay Clinic, Inc.
Hui Malama Ola Na OIwi
Tobacco Education & Assistance Program
Boys & Girls Club of the Big Island
Salvation Army Family Intervention Services
Keeau Youth Business Center
Hale Kipa, Neighbor Island Office
REAL, East Hawaii
Plus many dedicated individuals

FOCUS

Youth Prevention & Education
Youth & Adult Treatment/Cessation
Clean Air: Reducing Secondhand Smoke
Disparate Populations
Protection of MSA for Tobacco Control

FUNDED BY

Coalition for a Tobacco-Free Hawaii
Hawaii Department of Health's
Tobacco Prevention & Education Program

February 6, 2009

TO: Senator David Y. Ige, Chair
Senator Josh Green, M.D., Vice Chair
Committee on Health

RE: TESTIMONY IN SUPPORT OF SB 847 - Relating to Tobacco
Hearing on Monday, February 9, 2009, 2:45 p.m.
Conference Room 106, State Capitol

My name is Tracie Yoshimoto, Coalition Coordinator of Tobacco-Free Big Island, an alliance of organizations, businesses and dedicated volunteers who work together to eliminate the harms of tobacco use in East Hawaii (Hamakua, Hilo, Puna and Ka'u).

Please accept this testimony in support of SB 847 Relating to Tobacco, which would Remove the sunset clause in Act 131, Session Laws of Hawaii 2005, which contains a repeal date of July 1, 2009, and keeps in place the requirement that an entity engaged in the retail sale of cigarettes or other tobacco products obtain a retail tobacco permit.

The permit helps our State maintain a complete of tobacco retailers to help enforce various laws related to tobacco—including making sure retailers are selling cigarettes that are taxed, as well as not selling tobacco to minors.

Comprehensive efforts in tobacco control have led to a significant drop in our high school smoking rates, which are now below 10%. Requiring tobacco retailers to obtain permits ensures our state continues to take comprehensive approach to reducing youth tobacco use.

Please eliminate the sunset date of the retail tobacco permitting law by passing SB 847 out of Committee.

Please accept this as my written testimony. Thank you in advance for your consideration. Please contact me if you have any questions.

Sincerely yours,


Tracie Yoshimoto, Coalition Coordinator



From: Kari Wheeling [kariw@hmhb-hawaii.org]
Sent: Friday, February 06, 2009 3:57 PM
To: HTHTestimony
Subject: Testimony for SB 847 on 2/9 @ 2:45pm, RM 16

Categories: Blue Category

Date: February 9, 2009
Committee: Senate Health
SB 847: Relating to Tobacco

Honorable Chairperson Ige and Members of the Senate Health Committee:

My name is Kari Wheeling, Project Coordinator of Healthy Mothers Healthy Babies Coalition of Hawaii (HMHB). HMHB is in support of SB 847 that removes the sunset clause and keep in place the requirement that entity engaged in the retail sale of cigarettes or other tobacco products obtain a retail tobacco permit.

HMHB has been working on tobacco control, offering brief intervention trainings for over 5 years. HMHB has a vested interest in protecting the health of pregnant and parenting women and their families. Making the law permanent will help the State maintain a complete list of tobacco retailers to help enforce various laws related to tobacco.

Tobacco use is the leading preventable cause of death in the United States. An estimated 165,100 adults in Hawaii smoke cigarettes even though this single behavior will result in death or disability for half of all regular smokers. Each day, nearly 4,000 young people under 18 years try their first cigarette; and each day another 2,000 other kids become new regular smokers. Roughly, one in three of them will eventually die from tobacco-related illnesses. Paralleling the enormous toll on Hawaii's health is the economic burden of tobacco use, estimated to be more than \$309 million per year in medical expenditures and another \$283 million per year resulting from lost productivity. The harmful effects of smoking do not end with the smoker. Babies of women who smoke during pregnancy are more likely to have lower birth weights, and increased risk of death from sudden infant death syndrome, and respiratory distress. In addition, secondhand smoke has harmful effects on nonsmokers.

We appreciate your consideration of this measure. Mahalo for this opportunity to testify today.

From: Michael Zehner [mz9995@hotmail.com]
Sent: Sunday, February 08, 2009 2:38 AM
To: HTHTestimony

Categories: Blue Category

Dear Senate Health Committee;

Bill: SB847 OPPOSED

I'm opposed to this hate and this madness. Would you please leave our people that smoke alone?

Respectfully, Michael Zehner

750 Amana st. #608, Honolulu, HI 96814

952-0275

Windows Live™: Keep your life in sync. [See how it works.](#)

From: mailinglist@capitol.hawaii.gov
Sent: Friday, February 06, 2009 10:04 PM
To: HTHTestimony
Cc: santosj001@hawaii.rr.com
Subject: Testimony for SB847 on 2/9/2009 2:45:00 PM
Attachments: Support SB 847.doc

Categories: Blue Category

Testimony for HTH 2/9/2009 2:45:00 PM SB847

Conference room: 016
Testifier position: support
Testifier will be present: No
Submitted by: LorrieAnn Santos
Organization: Individual
Address: 45-415 Lolii Street Kaneohe, HI
Phone: 258-5811
E-mail: santosj001@hawaii.rr.com
Submitted on: 2/6/2009

Comments:

Support SB 847

" Act 151 in 2005 established the retail tobacco permit. Retailers must acquire a permit from the Department of Taxation to sell tobacco.

" The permit helps our State maintain a complete of tobacco retailers to help enforce various laws related to tobacco-including making sure retailers are selling cigarettes that are taxed, as well as not selling tobacco to minors.

" Comprehensive efforts in tobacco control have led to a significant drop in our high school smoking rates, which are now below 10%.

" Requiring tobacco retailers to obtain permits ensures is part of this comprehensive approach to reduce youth smoking.

" Please eliminate the sunset date of the retail tobacco permitting law by passing SB 847 out of Committee.

From: mailinglist@capitol.hawaii.gov
Sent: Monday, February 09, 2009 9:18 AM
To: HTHTestimony
Cc: lsantos@papaolalokahi.org
Subject: Testimony for SB847 on 2/9/2009 2:45:00 PM
Attachments: Support SB 847.doc

Testimony for HTH 2/9/2009 2:45:00 PM SB847

Conference room: 016
Testifier position: support
Testifier will be present: No
Submitted by: LorrieAnn Santos
Organization: Papa Ola Lokahi
Address: 894 Queen Street Honolulu, HI
Phone: 597-6550
E-mail: lsantos@papaolalokahi.org
Submitted on: 2/9/2009

Comments:

‘Imi Hale Native Hawaiian Cancer Network (‘Imi Hale) is one of 25 Community Network Programs funded by the National Cancer Institute’s Center to Reduce Cancer Health Disparities to reduce cancer disparities through community-based participatory cancer education, training and research among racial and ethnic minorities and underserved populations. ‘Imi Hale is housed within Papa Ola Lokahi, a non-profit community-based agency dedicated to improving the health status of Native Hawaiians and others in the state and Native Hawaiians across the continental U.S. by advocating, initiating, and maintaining culturally appropriate strategic actions.

Support SB 847

" Act 151 in 2005 established the retail tobacco permit. Retailers must acquire a permit from the Department of Taxation to sell tobacco.

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