

Committee: House Committee on Labor & Government Relations

Hearing Time: 2:00 p.m., February 14, 2023

Location: State Capitol

Re: HB537 HD1, Relating to Electronic Smoking Devices

Aloha e Chair Matayoshi, and members of the Committee:

We are writing in **strong support** of HB 537, Relating to Electronic Smoking Devices.

This bill establishes a tax equal to 70% of the manufacturer’s list price for electronic smoking devices (ESDs) and e-liquid products. It expands the electronic smoking device retailer registration unit to include wholesalers and e-liquid products retailers and wholesalers. Further, this bill requires electronic cigarette and e-liquid products retailers and wholesalers to register with the electronic smoking device and e-liquid products retailer and wholesaler registration unit.

An increase in tax and regulations has been a proven method of circumventing tobacco addiction. The World Health Organization estimates that for every 10% tax increase, the overall smoking rate falls about 4%. Furthermore, **according to the World Health Organization, significantly increasing tobacco excise taxes is the single most effective and cost-effective measure for reducing tobacco use.** Early evidence suggests that taxing ESDs would have similar effects.

Research conducted by the American Heart Association has found that **Hawaiʻi has the highest rate of middle school-aged students' use of ESDs nationwide, and the second highest high school student usage rate.** Further research from Living Healthy Hawaiʻi shows that youth who use e-cigarettes are four times more likely to try regular cigarettes, and three times more likely to become cigarette smokers.

The Center for Disease Control (CDC) states that 99% of e-cigarettes sold in assessed venues contained nicotine, a substance which changes the way the brain develops, increases the risk of future addictions, and increases the risk of heart disease. ESDs come in flavors that introduce youth to nicotine and increase the likelihood of addiction - research from the CDC shows that flavored tobacco products are more addictive than regular tobacco products.

Opportunity Youth Action Hawaiʻi is a collaboration of organizations and individuals committed to reducing the harmful effects of a punitive incarceration system for youth; promoting equity in the justice system; and improving and increasing resources to address adolescent and young adult mental health needs. We seek to improve the continuity of programs and services for youth and young adults transitioning from minor to adult status; eliminate youth houselessness and housing market discrimination against young adults; and promote and fund more holistic and culturally-informed approaches among public/private agencies serving youth.

Please support HB 537.