



DEPARTMENT OF THE ATTORNEY GENERAL

News Release

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Acting Governor Aiona Signs Tobacco Bill

HONOLULU – Acting Governor James Aiona signed into law today a bill (SB 682) to improve tobacco regulation by requiring businesses engaged in the retail sale of cigarettes and other tobacco products to obtain a retail tobacco permit from the Department of Taxation.

Under existing law, it was not possible to determine which retail vendors sold tobacco products. The new permit requirement will facilitate effective enforcement of the state tax on cigarettes and other tobacco products by identifying tobacco retailers and providing a mechanism to verify the sources of tobacco products. The enhanced retail regulatory scheme, which encourages compliance with state tobacco tax laws and discourages the sale and distribution of contraband cigarettes, will assist in the enforcement of the Master Settlement Agreement, and will greatly enhance efforts to reduce youth access to tobacco.

The new law will also help ensure receipt of a full measure of cigarette tax revenues by prohibiting retailers and vending machine operators from purchasing cigarette packs without affixed tax stamps. Those who violate the law will be subject to criminal penalties, forfeiture, and/or suspension or revocation of retail permits and wholesale or dealers licenses. Tobacco retail licensing or permitting is common in other jurisdictions.

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Attorney General Mark Bennett emphasized the importance of the law in protecting the health of minors. "The new law will help curb the sale of contraband cigarettes. This is essential to the efforts to keep cigarettes and other tobacco products from reaching kids," Bennett said.

Director of Health Chiyome L. Fukino, M.D. said, "This law will further enhance the cooperative merchant education program developed with retail tobacco merchants that has resulted in Hawaii having one of the lowest sales to minors rates in the nation."

The new law is part of the Lingle-Aiona Administration's 2005 legislative package. The bill passed unanimously in both the Senate and the House of Representatives.

Numerous organizations supported the bill, including the American Cancer Society, the American Heart Association, the American Lung Association, the Coalition for a Tobacco Free Hawaii, the Hawaii Medical Service Association, and the Tobacco Prevention and Control Advisory Board.

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