

MINUTES  
**HOUSE REVENUE & TAXATION COMMITTEE**

**DATE:** Friday, March 17, 2023

**TIME:** 8:30 A.M.

**PLACE:** Room EW42

**MEMBERS:** Chairman Monks, Vice Chairman Cannon, Representatives Dixon(1), Manwaring, Weber, Shepherd, Cheatum, Cornilles, Durrant, Ehlers, Mickelsen, Pickett, Raymond, Wroten, Necochea, Burns

**ABSENT/  
EXCUSED:** None

**GUESTS:** The sign-in sheet will be retained in the committee secretary's office; following the end of session the sign-in sheet will be filed with the minutes in the Legislative Library.

**Chairman Monks** called the meeting to order at 8:32am.

**H 330:** **Rep. Redman** presented **H 330**. This legislation makes amendments to Sections 63-2552 and 63-2552A, Idaho Code, along with removing obsolete language and making technical corrections, will make the retail sale of cigars in Idaho more competitive with neighboring states, and the internet. All tobacco products in Idaho are taxed on the wholesale sales price at 35%, with an additional 5% tax. All tobacco products, excluding cigars, will continue being subject to this 40% tax on the wholesale price, with cigars being capped at a tax of 0.50 cents per cigar.

**Senator Carl Burke** elaborated on some of the details of the bill, emphasizing this legislation is a tax relief bill for small business.

**MOTION:** **Rep. Wroten** made a motion to send **H 330** to the floor with a **DO PASS** recommendation.

**Patrick Malloy** testified in support of **H 330**.

**VOTE ON MOTION:** **Motion carried by voice vote. Rep. Necochea** requested to be recorded as voted **NAY. Rep. Redman** will sponsor the bill on the floor.

**H 331:** **Rep. Raymond** presented **H 331**. This legislation amends the Cigarette and Tobacco Products Taxes statute to include electronic smoking products and devices into the tobacco products definition to include all forms of tobacco, nicotine, and smoking devices. The bill provides parity between traditional tobacco products and new and emerging smoking devices.

Co-sponsor of the bill, **Rep. Green**, elaborated on the bill and then yielded her time to **Erin Bennett**, Government Relations Director of the American Heart Association in Idaho. Ms. Bennett testified because of the nature of these products, there is no mechanism within state structure to test vape products and these products are not regulated at the federal level in the same way cigarette packs are. There isn't measurement mechanisms and testing the chemical composition of these products since each component can be sold separately. There is no chemical makeup labeling required for these products. Thus, they don't know the chemical makeup of these products to inform consumers.

Committee asked about how nicotine products help reduce the use of tobacco products. **Ms. Bennett** explained, the idea is to gradually reduce the use of these products so it makes it easier to overcome addiction to nicotine, as nicotine follows the same neural pathways as heroin, which makes it a difficult addiction to overcome. Ms. Bennett stated they have studies that show correlation of increase in cost with reduction in use.

**Kacie Robinson** and **Peyton Burrell** testified in support of **H 331**, sharing their high school senior project study and how it effects youth. They conducted a survey at their high school and had 394 responses. Of those responses, around 31% knew vegetable glycerin can be found in vape products, 39% knew formaldehyde can be found in vape products, and 36% knew aerosol can be found in vape products. An Idaho Youth Risk Behavioral survey found that 1 in 5 Idaho high school students vape.

**Ron Nate**, Idaho Freedom Foundation, and **David Moore**, business owner, testified in opposition to **H 331**.

**Sara Westbrook**, Idaho Association of Counties, testified in support of **H 331** in part because some of the revenue will go to juvenile prevention use programs.

**Michael Larsen**, vape manufacturer, testified in opposition to **H 331**. He stated 400 million people die per year because of smoking effects. Cigarettes use in teens has gone down 90% due to vaping.

**Miguel Legarrete**, Associated Taxpayers of Idaho, testified in opposition to **H 331**.

**Doug Ball**, representative of Jacksons Food Stores, and **Derrick Dane**, local business owner, testified in opposition to **H 331**.

**Scott Carver**, Valley County Coroner, testified in support of **H 331**. He stated the underground market began roughly in 2006-2007, and since 2016 regulations have hindered new businesses from joining the market. He shared his experience of seeing the physical damages vape and smoking cause to the lungs.

**Jeremy Furcee**, Vaper Loft Idaho, **Evan Drake Fisher**, local business owner, and **Douglas Campbell**, local small business owner, testified in opposition to **H 331**.

**ORIGINAL MOTION:**

**Rep. Cheatum** made a motion to **HOLD H 331** in committee.

**SUBSTITUTE MOTION:**

**Rep. Weber** made a substitute motion to send **H 331** to the floor with a **DO PASS** recommendation.

**AMENDED SUBSTITUTE MOTION:**

**Rep. Manwaring** made an amended substitute motion to send **H 331** to the floor without recommendation.

**MOTION WITHDRAWN:**

**Rep. Weber** requested unanimous consent to withdraw his substitute motion. There being no objection, the request was granted.

**ROLL CALL VOTE ON AMENDED SUBSTITUTE MOTION:**

Roll call vote was requested. **Amended substitute motion failed by vote of 8 AYE and 8 NAY. Voting in favor** of the motion: **Reps. Manwaring, Weber, Cornilles, Mickelsen, Raymond, Wroten, Necochea, Burns. Voting in opposition** to the motion: **Chairman Monks, Reps. Cannon, Dixon(1), Shepherd, Cheatum, Durrant, Ehlers, Pickett.**

**ROLL CALL VOTE ON ORIGINAL MOTION:**

Roll call vote was requested. **Original motion carried by vote 9 AYE and 7 NAY. Voting in favor** of the motion: **Chairman Monks, Reps. Cannon, Dixon(1), Manwaring, Shepherd, Cheatum, Durrant, Ehlers, Pickett. Voting in opposition** to the motion: **Reps. Weber, Cornilles, Mickelsen, Raymond, Wroten, Necochea, Burns.**

**ADJOURN:** There being no further business to come before the committee, the meeting adjourned at 10:34am.

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Representative Monks  
Chair

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Jazz Alexis  
Secretary