

Candice Gott
63 E Chesapeake Beach Road
Owings, MD 20736

My name is Candice Gott and I am a small business owner and member of the Maryland Vapor Alliance.

I want you to know that I am not big tobacco and I am not Juul. Per the National Youth Tobacco Survey, the product teens are using most is Juul. My Vape shop, as well as the other vape shops in Maryland, do not sell Juul or other big tobacco products. The products we are selling is what are using to get off cigarettes, and stay off cigarettes. We do not allow anyone who is under the age of 21 in our stores. In fact, no Maryland vape shop has a failed compliance check in the last 2 years.

I smoked cigarettes for 15 years. I tried everything to quit smoking. I tried patches, gum, pills, I even tried being hypnotized. Nothing worked. That is, until I went by a vape shop. I started with a menthol tobacco flavor, which helped me sustain from cigarettes for a few days but I quickly relapsed and was smoking cigarettes again. I went back to the vape shop and got green apple e-liquid. I have not touched a cigarette since that day. I also found I like caramel coffee flavored eliquid. Caramel coffee flavor seems to be a flavor many adults enjoy in many different ways. After a few months of using these flavors, the thought of smoking a cigarette, and tasting tobacco makes nauseous. I finally rid myself of Marlboro Menthol lights using flavored eliquid.

My husband had a similar experience. Out of this experience, we pooled every dime we had and formed our business. We were moved by how effective vaping was in helping us quit smoking, and decided we could help other people in our community quit as well. We have been in business almost 6 years and while I do not have an exact number, I'm sure we've helped thousands of adults quit combustible cigarettes using flavored eliquid.

We are a total vape shop. What I mean by the word total is that 90% of our sales are from vape related products. A wholesale tax of this measure would bankrupt me and put me out of business. It would also leave my 13 employees without a means to provide for their families. A vape shop vendor by law means that 70% of our inventory is vape products or accessories. Unlike a gas station or convenience store that can spread this cost out amongst thousands of products, my shop mainly sells one product. The price of my inventory would almost double, this is a cost I would have to float until a product is sold to a customer. This is simply not something my business would be able to sustain over time, or survive. In fact, a 40% wholesale tax was put in place by our neighboring state of Pennsylvania and this put many shops out of business. Many of the shops that remain open in Pennsylvania are struggling to survive. If a 40% wholesale tax did that to small business vape shops in Pennsylvania, imagine what an 86% wholesale tax would do in Maryland. It would be devastating.

I am not opposed to a tax. However, I think it should be done in a way that does not put me out of business. Putting small business vape shops out of business has consequences that include my customers finding products on the black market. Items obtained on the black market with not have proper quality control, nor will they be taxed. If such a devastating wholesale tax is imposed, nobody wins as customers flock to the black market and no taxes are collected, and I close the doors of a business I've dumped my life savings into.

The fact remains, cigarettes kill 480,000 people each year. Flavored nicotine vaping is a harm reduction tool to help people get away from combustible tobacco. The Royal College of Physicians released its warning in 1962 that smoking causes lung cancer and bronchitis. America surgeon general did not release its own warning until 1964. The Royal College of physicians is now telling us that vaping is at least 95% safer than combustible tobacco products. Why would we tax vaping in a way that gives customers no incentive to switch to a much less harmful product?

On top of the Royal College of Physicians claims, there are millions of adults in the United States now claiming the same thing: Vaping has helped them quit smoking and they feel a lot better because of it.

Please impose a fair tax that would keep me in my business, keep my employees with a job, and give customers a reason to switch to an alternative that is at least 95% safer than smoking combustible cigarettes.

Jenna Antony

Planet Of The Vapes

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28th January 2020

Firstly, I'd like to thank the chair and committee members for allowing us the time to share our concerns over the proposed legislation. My name is Jenna Anthony and I'm the owner of a small vape shop in Pasadena, Maryland. If passed in its current form this bill will cause serious damage to our industry.

This industry is comprised of mom and pop businesses like mine that simply cannot survive an excessive wholesale tax. If this legislation passes in its current form, most of the shops in Maryland will close our doors for good. The economic impact will be severe.

When I started my business 6 years ago, it was because I knew our products helped adults quit traditional tobacco products for a healthier alternative. I knew this because it helped me. As a pack a day smoker of 12 years, I had tried the patch, cold turkey, the gums, hypnosis, and everything in between to no avail. I never liked tobacco flavors but was immediately able to transition to vaping using fruit, candy, and dessert e-liquid flavors.

Moreover, I am proud to say after over 5 years of vaping and slowly lowering the amount of nicotine, I was also able to completely quit using a vape all together. I have now been completely tobacco free for over 6 years and nicotine free for almost a year.

By passing this bill you will take away the best option for combatting the tobacco epidemic. Not only will it remove vaping as an option for adults, it will also fall short of keeping vapes and tobacco out of the hands of children.

While that last point may seem counterintuitive, please let me elaborate. It is important to note that over two years, the state of Maryland in conjunction with the FDA performed a sting operation to catch and document underage sale of tobacco and vapor products. During that two year period not one single vape shop was cited for underage sale. Not one. However, hundreds of underage sales took place in stores like CVS, Walgreens, Royal Farms, and Exxon. This legislation will likely shut the doors of the only stores consistently upholding the state age laws.

Furthermore, the only companies that could possibly withstand an onerous wholesale tax or

flavor ban are ones with massive funding like Juul, Vuse, and Blu. With the backing of big tobacco, these companies have endless resources and massive marketing firms behind them.

History has taught us that banning things in lieu of sensible regulation only serves to create a black market that puts the banned products in the hands of individuals who have no regard for keeping these products out of the hands of kids.

In closing, Juul and their ilk are not representative of our industry. We, who stand before you today, are mothers, fathers, coaches, and community members who share your concerns regarding keeping vapes out of the hands of kids. Please, rethink your approach. Let's work on a sensible point of sale tax that won't push small businesses out and open the door for Juul to take over. Rethink banning the sale of flavored vapor products and instead keep them limited to sale within licensed vape shops. Together, we can absolutely keep kids safe while still not denying adults the best shot at quitting tobacco for good.

Thank you again for your time and consideration.

Jenna Anthony

Kyle Vega (Owner)
Vapor Villa
730 Frederick Rd.
Suite 202
Catonsville MD 21228

Ways and Mean (HB732)

Members of the Committee:

My name is Kyle Vega, and I am the owner of three vape stores in Maryland. My stores are located in Catonsville, Halethorpe, and Eldersburg. I am writing to you to express my concern about what an 86% wholesale tax would do to my business, customers, employees, my financial situation, and, more importantly, my employees' finances. Over the six years of business, I have employed a number of people and help thousands make the switch from combustible cigarettes to vaping products. If this 86% were to be implemented, all of that would end. An 86% wholesale tax would mean that my business would have to close its doors at all 3 locations, no question about it. My business would not be the only one, every vape shop owner in Maryland I have spoken to and members of the Maryland Vapor Alliance (MVA), representing 31 vape stores, has said the same.

Sudden closure of business would leave me with three leases that still need to be paid, employees that will have no work or income, and customers that will be forced to go back to the single product they wanted to avoid. A product that we know kills half of its users, cigarettes. This tax would make products so expensive that consumers will have no choice but to go back to what will now be the cheaper option, once again, cigarettes. Forcing consumers to retreat back to cigarettes will have an adverse effect on public health. My employees will be without income, without the ability to pay rent, mortgages, car payments, tuition, or provide for themselves or others that depend on them. In a challenging time to find jobs, myself, my two business partners, and our current employees will all be unemployed, searching for our next employment opportunity and stressing everyday of when that day may come. Unfortunately, the bills will not stop coming in, but none of us will have the income to pay those bills.

Additionally, the state will not see additional tax revenue due to the new desired tax implication on nicotine e-liquid products. Simply because there will no longer be any retailers that can support this drastic tax, and no products will be sold. In fact, the state will potentially lose the current 6% of sales tax income received from e-cigarettes related businesses, because once again, this tax will force companies to close. I genuinely hope that you reconsider this significant tax increase on nicotine e-liquid products, for the sake of small businesses in this state, for workers, and for consumers that wish to remain combustible cigarette free. Please also consider the Maryland Vapor Alliance (MVA) amendment of a point of sale tax. Thank you for your time and your public service.

Thank you,

Kyle Vega

B&B's Vape Café
3224 E. Joppa Rd.
Baltimore, MD 21234
Lisa Barkhorn

Attention: Maryland Legislators

RE: BILL # HB 732

I am a current partner/owner at B&B's Vape Café in Carney, MD.

I am writing to oppose the Bill #SB0003 to enforce an 86% wholesale tax on vapor products.

This is an industry killing bill and it would be impossible for us to stay in business if this would pass. There have been proposals made for an increase in tax from the Maryland Vapor Alliance/Lobbyists to ensure everyone is taxed properly, which would enable us to all to continue with this life saving technology and not combustible tobacco.

We have been in business for 4 years, currently employ 4 people including myself, and are very active in this community. With the recent lung illness scares (which had nothing to do with this industry) we are still trying to recover from the losses this imposed on us.

I currently pay roughly 15,000 in sales tax per year along with payroll and overhead that any business incurs on a yearly basis. An enforcement of an 86% tax would close our doors for good.

I am married, have two children, and help support my family. I would also have to let go of my employees, and my customers that have come to depend on us for the past 4 years. They would be forced to either go out of state, buy from the black market, or worse go back to smoking combustible tobacco which would cause way more harm than good.

This would be detrimental to the State of Maryland and The Vape Industry because there would be no income coming in for either party.

Don't destroy these Maryland businesses and vote no on this industry killing bill.

Sincerely,

Lisa Barkhorn

SB0003

Maryland Vapor Alliance

William and Sarah Roberts

BS Vapes LLC

8154 Ritchie Hwy

Pasadena, MD 21122 Suite B

As business owners of a vape shop in Maryland, we are very concerned with the fact this bill is both unjust and will not have the effect anyone is looking for. If taxed at 86% we will close our business effectively immediately upon enactment. We cannot afford this tax.

Cigarettes were taxed heavily to help ease the state health care costs. While we understand that we need to educate our teenagers on addiction and pay for compliance enforcement, taxing vape shops because we are classified as tobacco product to this level will not achieve this. Instead all revenue will be lost, as we will be closed. The only viable option we see is a point of sale tax.

We are not Juul or Big Tobacco. We have direct contact with our customers. We see the health improvements in our customers from week to week. To tax an entire industry into extinction that is helping ease state health care costs makes zero sense to us.

Our business has 7 employees that would all lose their jobs and collect unemployment. We would lose our entire retirement as we invested in a product that we believe in that helps our community and eases the burden on state health care costs. We are a combat veteran and woman owned business. We believe in our country and community. If this tax is implemented the wrong outcome will happen in our communities. The black market will thrive and the state will get even less money. The black market will cause more health costs for the state as well. It's just a lose, lose situation if this tax is implemented.

As a community we need to "right" a "wrong" for an entire generation that is hooked on cigarettes that will die. We have a harm reduction solution that is proven to work and work more than twice as well than anything else on the market. This tax will not do this and in fact do the opposite. Vape shops in Maryland have not had a single violation in two years. We are not the problem and should not be taxed into extinction. Let us be part of the solution and all parties will win and our communities will grow, thrive and evolve with time.

Thank you for your time.

January 27, 2020
Dear Legislators,

My name is Seth Ordona and I am a manager of a vape shop and small business in southern Maryland, and a member of the Maryland Vapor Alliance.

As a Resident of the State of Maryland, I find it appalling and unjust to impose such an egregious tax on electronic cigarette products. After serving the Southern Maryland community for the past 5 years, based on my experience, I believe an 86% wholesale tax on ENDS would affectively kill the industry. And to what extent is such a large tax necessary? Who truly benefits from such a tax? Our customers would not find such price increase relative to the taxing bearable, driving them back to the habit that once poisoned them. Elected officials would rather sentence their own citizens to death, rather than working appropriately with an innovative technology? The particular products of concern have already been banned from the market, the age limit has already been raised, and now this? Is there no end to the grossly negligent overreach perpetrated by the elected officials? With the state-wide flavor also on the table, i could not have a source of income in a few months be it the case. To be made clear, i would be losing my employment "for the sake of the children," who are not legally allowed to purchase the product, which wouldn't even be available within state lines? Given this current economy and the skill set I have acquired from working this job, it would prove difficult to seek further employment. I had not anticipated nor planned a contingency for a group of dishonest minors to be the reason I lose my employment and income. I wouldn't be able to afford my current living accommodations, I wouldn't be able to afford food, and I'd be forced to live off the generosity and handouts of others until which time i could get back on my feet. This situation should not even be happening. I should not have to be writing this testimony. But as an American man I will stand for my beliefs and ensure with everything within my power that all legal action and due process is taken to protect the rights and liberties of myself, my coworkers, and my customers. We deserve our right to freedom of choice. If anyone wants to make the decision to better themselves and quit the habit of combustible tobacco products, then they should have such freedoms to make such decisions.

Thank you,
Seth Ordona
5235 Knight Bridge Court
St. Leonard, MD 20685

Trenton Davis

8A Central Ave
Glen Burnie, MD 21061
(410) 595-5338
meanstreetvapor@gmail.com

February 17th 2020

Dear Delegates Luedtke, Pema-Melnyk, and members of the committee,

My name is Trenton Davis and I am the business manager of Mean Street Vapor. I am writing today in opposition to HB0732. An 86% wholesale tax will decimate all the mom and pop shops that cater to the needs of adult Maryland citizens who are looking to find an alternative to smoking cigarettes. It will disrupt the lives of thousands of employees who depend on the income to feed their families. It will absolutely put our citizens in danger as the closure of all the vape stores in Maryland will certainly drive many to the black market where questionable, unregulated and down right dangerous products will be produced by people looking to make a buck. According to the FDA website, there have been no instances of Maryland stores selling to minors but with a black market, anything goes. Allowing the good, law abiding, responsible store owners to conduct business will help keep electronic smoking devices out of the hands of our youth.

I support the Maryland Vapers Alliance's proposal for an amendment to the bill that would instill a 12% excise tax as well as increasing penalties for the bad actors who are selling their products to children (which again, are not the vape stores, rather the offenders are convenience stores and big box retailers). I believe together we can find a balance that will protect Maryland's youth while also providing access to ESDs for adults.

Sincerely,

Trenton Davis

#HB 732

Maryland

Derek Rucker

Manager of BS Vapes LLC

8154 Ritchie Hwy

Pasadena, MD 21122 Suite B

As a person that has worked in the vaping industry for about seven years, I have seen the rise and fall of many aspects of the vaping community. From stupid fads and community organized events to the amazing people that make all of this possible. That is who this 86% wholesale tax will effect. The everyday person who has given their all to something that they truly believe in. Vape shops will be forced to close doors upon enactment.

Local vape shops are highly diligent in enforcing age restrictions. Maryland vape shops have not had a violation in the past 2 years. We understand the cigarette and vape use by children could potentially have detrimental effects on the development of youth but we are not the problem. Educating teenagers about the dangers of nicotine use and lifelong addiction are of the utmost importance. At this point it would only be harming hardworking adults who are looking for a way out of their addiction when other options have failed them.

We have direct interactions with our customers. They are our neighbors, our friends and our family. Everyone that is involved in this community takes great pride in the fact that we can help people. Even in the smallest ways. When an 86 year old man can come to me and thank me for helping him overcome a lifelong addiction that has had death grip on him since he was young, you swell with pride and know that you are making a difference. We are not Juul. We are not Big Tobacco. We are adults looking for a solution to a problem that has killed generations before us.

A point of sale tax is a very viable option compared to being forced to close our doors for good. In that case people who are still struggling will look to other places. It may be turning back to cigarettes or black market sales of potentially harmful products sold by people that do not actually care about the effects that it would have on that individual.

Black market networks are already in place. Luckily we are able to avoid the majority of the problems caused by the illicit sales by offering a safer option. Illegal markets will thrive causing more problems than we currently facing. Everyone involved should be a part of the solution. Destroying an entire industry will not help. Removing a very viable option for adults to help them quit smoking will not help. Let us work together to find a solution so that the generations to come are not afflicted by the problems that we currently grasping for solutions to.

Thank you for your time.

My name is Zachary Clark and I am a manager of a small business vape shop in southern Maryland, and a member of the Maryland Vapor Alliance.

As an employee in the vaping industry I find an 86% wholesale tax to be egregious and a clear move to effectively kill the industry in Maryland. This tax would force businesses to, at minimum, double the sale price on all products which would in turn drive customers to seek cheaper prices through dangerous black market vendors, or back to combustible tobacco products. This tax would absolutely devastate all of the small business vapes shops in Maryland. This has been proven in our neighboring state of Pennsylvania where they imposed a 40% wholesale tax which forces many vape shops out of business.

This tax would not only leave myself, my coworkers, and other small business vape shops without jobs, it would cripple the business owners financially, and leave our customers without a safe and reliable place to purchase the products that have helped save their lives. In our current economy if I were to lose my job I would not be able to provide for myself and my family, forcing me into an unnecessary financial crisis until I could find new employment. Which given the state of the job market in my area and the skill set I have this would prove to very difficult.

Regards,
Zachary Clark
141 Wood Duck Circle
La Plata MD 20646