



March 26, 2024

The Honorable C. T. Wilson, Esq.
Chairman
Economic Matter Committee
Maryland House of Delegates
House Office Building, Room 231
6 Bladen St., Annapolis, MD 21401

Subject: Opposition to SB1056 - Harmful Impact on Retailers and Communities

Dear Chairman Wilson:

I am writing on behalf of Sheetz Inc. to express our strong opposition to SB1056, as introduced. This proposed legislation, which aims to grant sole control of the sale of e-vapor products to vape shops in Maryland, would have severe negative consequences for our business and the communities we serve. However, it is my understanding the retail community has suggested amendments that will allow convenience stores to continue to sell the legal products. We are in favor of these changes and would be supportive of the legislation if they are adopted.

As you know, Sheetz is a leading convenience store and retail chain with 35 locations and nearly 1,000 employees throughout Maryland. In addition to our existing footprint, we have several more sites at various stages of development. It is not an overstatement to say that this bill would put most, if not all, of the future development and jobs in doubt.

First and foremost, this policy would result in a significant loss of revenue for the state of Maryland. Currently, Maryland collects approximately \$60 million in excise tax revenue from e-vapor products. Banning sales in convenience stores and grocery stores puts between \$17.1 million and \$19.5 million in state revenues at risk. This loss of revenue would not only impact the state's ability to fund essential services but also have a ripple effect on local economies and job opportunities.

Furthermore, this policy fails to acknowledge the significant efforts made by retailers like Sheetz in preventing youth access to tobacco and other products. Convenience stores and gas stations have been at the forefront of implementing strict age verification protocols and training programs to ensure compliance with regulations. We take our responsibility to prevent youth access seriously and have made substantial investments in technology and training to uphold these standards. Singling out convenience stores and limiting their ability to sell e-vapor products undermines the progress we have made in this area.

Lastly, this bill unfairly targets small businesses and franchises that sell tobacco products. In Maryland, Sheetz operates numerous stores that fall into this category, employing local residents and contributing to the economic vitality of the communities we serve. Banning our ability to sell e-vapor products and transferring those sales exclusively to vape shops would not only harm our business but also disrupt the local economy and jeopardize the livelihoods of our employees.

In conclusion, we strongly urge you to reconsider the passage of SB1056. This policy is shortsighted, detrimental to our revenue, harmful to small businesses, and discriminates against certain neighborhoods. We believe that a more



comprehensive and inclusive approach is necessary to address any concerns related to e-vapor products. We are available to discuss this matter further and provide any additional information that may be helpful.

Thank you for your attention to this important matter.

Sincerely,

A handwritten signature in black ink that reads "Jason Bassett". The signature is written in a cursive, flowing style.

Jason Bassett
Senior Manager, Government Relations
Sheetz, Inc.