



Mid-Atlantic Petroleum Distributors Association
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To: House Ways and Means Committee

From: Ellen Valentino, EVP

Date: February 18, 2020

Re: Opposition to HB 732 Too Much

I am writing to provide the perspective of our members on HB 732 specifically the \$2.00 increase in the tobacco tax.

1. The black market for tobacco sales and vape products will continue to grow unless it is addressed appropriately. During the Tobacco 21 debate our industry produced pictures, videos and testimony regarding the black market and its effect on our businesses. Our testimony resulted in a debate on ways to reduce the penalties of elicited street sales rather than a substantive discussion about how to curb black market sales. We were frustrated and disappointed. The committee needs to recognize that there is a tremendous black market that fuels the underage use of tobacco and e-cigarettes and take action to eliminate those sales.
2. Unless the Committee and the General Assembly takes action to address these black market sales, any huge tax increase, ban or sales restriction you implement will be meaningless and will foster and grow underground activity. The black market in tobacco and vape sales is not petty individual sales but rather is very organized and lucrative for criminals. It is also outside the taxing ability of Maryland's tax collections.

To be clear, we do not defend the vaping and tobacco companies. However, we have a responsibility to share the reality and situation we see every day on the street and in our stores. There is a growing problem. Criminals will soon be able to make more cash selling e-cigarettes than heroin or opioids. You can expect that they will seize that market.

This bill is a missed opportunity and will not substantially reduce underage tobacco and vaping use. As retailers committed to Maryland, we can be part of the solution.

Thank you.

Ellen Valentino, On behalf of Mid-Atlantic Petroleum Distributors Assn.

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Feeding and fueling the economy through gas, coffee, food, heating oil and propane.

MAPDA is an association of convenience stores and energy distributors in Maryland, Delaware & the District of Columbia.