

HB 134 - Flavored Tobacco Products Prohibition

House Economic Matters Committee Hearing Wednesday, February 10th 1:30 pm

Julian B Wills III, President of Dash In Convenience Stores

I represent Dash In Convenience Stores, a 56 Store Chain headquartered in La Plata, MD, with 40 stores located in Maryland that employs approximately 600 MD residents. Below are reasons my organization opposes the proposed Flavored Tobacco Products prohibition proposed under HB 134.

1. Purchase age 21 legislation was passed in 2019. We supported this legislation as it helps ensure we keep Tobacco and Electronic Smoking Devices out of the hands of our youth. Do we really need the flavor ban in light of this recently passed legislation without first understanding how purchase age 21 will remedy the youth issue?

Additionally, the new Real ID requirement and scanning technology in our stores provides confidence that we are only selling these products to individuals 21 and older.

2. Enforcement- the current violation for a perpetrator carries a penalty of \$300 for selling to minors. Why not instead look to increase the penalties to those irresponsible retailers? And increasing the penalties could also increase the budgets to help support enforcement in the state to weed out the bad actors that make the industry look bad.

Our organization uses a third-party service to ensure our stores require identification for any age-restricted purchases. And we have a strong track record of “self enforcement” and education with our employees and retailers.

3. This legislation runs risk of expanding an already large black market of smuggling contraband in from other states where the products are still offered. Industry estimates are that this this flavor ban could put \$177 million of tax revenue to the state at risk while not guaranteeing that these products will not still be consumed by Maryland residents? I do not know if the industry estimate I referenced is correct but I do know the percentage of sales that would be eliminate at our retail locations is as follows-

- Cigarettes: 57.7% of sales eliminated with flavor ban
- Moist Tobacco: 78.4% of sales eliminated with flavor ban
- Cigars: 84.8% of sales eliminated with flavor ban
- Electronic Cigarettes: 77% of sales eliminated with flavor ban

4. Last, I ask you to think about the impact this legislation will have on small business. Maryland is already an expensive state to business in with its high

taxes, expensive licensing and permitting fees, and growing wages. This will put a tremendous amount of pressure on small business convenience retailers, many of whom are already struggling to make ends meet.

My request to our legislators is to think about the unintended consequences of this legislation. We all want to see public health improve and ensure our youth do not have access to these products.

But there is a better way to do that through improved education and better enforcement. Let's focus on how we can improve the situation by expanding those efforts rather than thinking that this type of sweeping legislation is going to resolve the problem.

Thank you for your time and consideration today.

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