



CIGAR ASSOCIATION OF AMERICA, INC.

Senate Finance Committee

Written Testimony

Senate Bill 177

Position: Oppose

Dear Chairman Kelley and the Members of the Senate Finance Committee:

The Cigar Association of America (CAA) appreciates the opportunity to provide this written testimony in opposition to SB177. CAA is the premier voice of the cigar industry in the United States. CAA is troubled by efforts to remove flavored cigars from the market, as there are not scientific or legal justifications for such actions.

Youth Usage of Cigars Is Low, and Continues to Be Lower than Other Similar Products

- The 2019 Maryland Youth Risk Behavior Survey reported that in 2019¹:
 - 6.0% of Maryland high school students reported current cigar use
- In contrast, the 2019 Maryland Youth Risk Behavior Survey reported that in 2019:
 - 5.0% of Maryland high school students reported current cigarette use;
 - 23.0% of Maryland high school students reported current e-cigarette use;
 - 17.6% of Maryland high school students reported current marijuana use; and
 - 24.1% of Maryland high school students reported current alcohol use

Consilium Sciences, an affiliate of the Venebio Group LLC, has prepared the most comprehensive report to date evaluating all publicly available data sources regarding usage of flavored cigar products and has concluded that “no evidence was found of increased use or different usage patterns, either among youth or adults, of flavored relative to unflavored products.”

Banning the Sale of Flavored Tobacco Products to Adults will Have Dramatic Consequences on Maryland Tax Revenues

- Massachusetts banned the sale of all flavored tobacco products as of May 2020
 - Cigarette tax stamp revenues show that, comparing June – September 2019 to June – September 2020, the ban had a large impact on tax revenue, but not on curbing use of menthol cigarettes²
 - Massachusetts tax stamp revenue **declined** 24%
 - New Hampshire tax stamp revenue **increased** 34%
 - Vermont tax stamp revenue **increased** 11%
 - Rhode Island tax stamp revenue **increased** 25%
- Maryland tobacco excise taxes were in excess of \$360 million dollars in the prior fiscal year³

¹ All data is based on use on at least one day in the past 30 days at the time of the survey.

² <https://taxfoundation.org/massachusetts-flavored-tobacco-ban/>

³ <https://www.marylandtaxes.gov/finances/revenue/detailview/default.aspx>

Maryland and the Federal Government have Raised the Minimum Age of Purchase of Tobacco Products to 21

- The Maryland legislature and Congress have already taken the most important step towards curbing youth usage of tobacco use by increasing the minimum age of purchase to 21 years old.