



FOR IMMEDIATE RELEASE

January 27, 2022

Senator Delores G. Kelley
Chair, Senate Finance Committee
3 East, Miller Senate Office Building
11 Bladen Street
Annapolis, Maryland 21401

SENATE BILL 99- CIGARETTES, TOBACCO PRODUCTS, AND ELECTRONIC SMOKING DEVICES- LOCAL LAW AUTHORIZATION- UNFAVORABLE -

Dear Chair Kelley and Members of the Senate Finance Committee,
Thank you for the opportunity to testify in opposition to Senate Bill 99. My name is Shelby Kemp, and I am a Marketing Manager for Royal Farms Convenience Stores. We are a 3rd generation family-owned Maryland based business with our headquarters located in Baltimore. We proudly operate 167 stores and employ 3,167 employees in the state of Maryland.

HB009 is a concerning bill for Royal Farms and others in our industry because it would authorize individual counties to impose strict rules regarding tobacco sale in their county, without fully understanding the consequences. Tobacco is 36% of our in-store revenue. If tobacco sales decrease dramatically due to a strict county law, we likely would not be able to afford to keep the store open or keep the current employees employed. We would also need to reconsider our site selection process to favor locations in counties or states with less strict legislation. We would not be the only business that would be forced to reconsider either, which would have a negative impact on that county's economy and tax revenue.

While a county might have great intentions by enacting strict tobacco laws, the past shows that type of legislation does not work. On a macro level, the state of Massachusetts banned all flavored tobacco in 2019. The state banned flavored tobacco with the intent and hope that flavored tobacco consumption would decrease. The problem was that most of the banned item's sales just moved over to neighboring Rhode Island and New Hampshire. There is now legislation in Massachusetts to repeal this legislation and bring the tax revenue back to their state.

If this legislation was copied on a county level, people would be even more inclined to take a short drive to the next county and stock up on their favorite products. We have seen this in our Virginia locations, where the sales just transfer over to a neighboring county that does not have as stringent rules or expensive tobacco due to local excise taxes. The customers don't stop buying it, they just move to another county where its less expensive or their product is sold. On behalf of Royal Farms, we respectfully request an unfavorable report.

Shelby Kemp
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