



Dear Chair Griffith and Members of the Senate Finance Committee,

My name is VJ Mayor, CAE, and I am the executive director for the Northeast Wholesalers Association, NEWA. I am here today to voice our association's opposition to SB 259. NEWA encompasses states throughout the northeast and is designed to amplify our collective voice on issues concerning our businesses.

SB 259 is bad for business and promises results it cannot achieve. To illustrate this, I will give you two examples. Massachusetts was the first state in the union to pass a flavored tobacco ban. Today, the results are horrendous. After the Massachusetts ban went into effect tax stamp sales in New Hampshire jumped from 108.8 million in 2020 to 123.1 million in 2021. This difference netted New Hampshire an additional \$25.5 million in excise revenue from cigarettes alone. This jump happened at the same time smoking rates in New Hampshire dropped by 1.6%. There is no logical answer besides cross border sales to explain these anomalies. They also prove the Massachusetts experiment failed.

Further, we see a similar story in New Jersey. In 2020 New Jersey Governor Phil Murphy enacted SB3265 banning the sale of all flavored vapor products. Today, according to Grail Insights from 2022 it is estimated that 50 percent of all vapor sales in the state of New Jersey are illicit disposable flavored nicotine e-cigarettes. New Jersey's lack of enforcement cost the state an estimated \$8.8 million in lost revenue due to non-taxed product while all other states saw vapor tax revenue grow 24 percent.

These two examples are just the surface. As an association we understand the intent of this bill is noble, but as we were all reminded of due to the ongoing inflation issue supply and demand still rule a capitalist economy. This bill addresses one thing: supply. However, as New Jersey and Massachusetts show you cannot legislate demand.

Instead, you are going to send product to the black market where it is untaxed, unregulated, and unsafe. I am not here asking you to endorse tobacco use. There are plenty of things adults do in this country I don't personally agree with. However, the essence of freedom is the ability of an adult to decide what they want to do or products they use with the best information available to them.

You say this is about protecting Maryland youth, but according to the Maryland Tobacco Control Resource Center youth smoking rates decreased among middle and high school students from 11 percent in 2011 to 4.6 percent in 2022. I remind you this was done without prohibition.

Rather than divide us over solution let's unite behind education and enhanced penalties for bad actors. We will gladly support that legislation.

Thank you,

VJ Mayor, CAE
Executive Director
Northeast Wholesalers Association