

2/21/2025

HB 1241 – Favorable with amendments

Good Afternoon members of the committee,

My name is Matthew Milby and I am a small business owner. I love the fact that this bill intentions are to hold bad actors in the vape industry accountable. We have been in discussions with the Comptrollers office and the ATCC's office about the plethora of violations of smoke shops, convenience stores, grocery outlets and even flower shops that are now selling ESD's and not paying the correct tax. Some are paying only 6%, some paying 12% and some are paying nothing at all, especially if you are paying with cash. This is robbing the state of MD of 100 million dollars a year or more!

The way this bill is written I believe will put an undo burden on the state of MD both clerical and financial strain to try to audit all these businesses where we already have a problem with having enough people to do the work. This is also why I'm in favor of this bill because it expands the ATCC's power of enforcement to ensure a fair market and to hold accountable the bad actors.

There are people selling ESD's without the proper license and also not charging the proper tax. So one amendment I would like to see would be a requirement to obtain an ESD license/vape shop vender license to be able to regulate the market. If the ATCC has a proper list of these places, that will make enforcement much easier to perform.

Right now not paying the correct taxes is not met with much enforcement. Especially at a time where the state is running a large deficit. We need mandatory penalties for the bad actors who are not following the law and paying the proper tax and/or not having the proper license.

Product availability is a problem. Its too big to manage everywhere that sells these ESD products. I would like to see an amendment that limits the ESD's that are 5mls and over to be specifically to licensed vape shop. This would make enforcement easier of these products and vape shops have been proven to be the good actors of this industry in MD. All it takes is a simple google search to see what businesses in Maryland who are consistently selling to minors. You would be hard pressed to find one vape shop on those lists.

Thank you for your time,

Matthew Milby