

Chair Wilson and Honorable Members of the Committee:

Favorable with amendments for HB 1241

I'm writing to express my support, with amendments, for House Bill 1241 – Other Tobacco Products and Electronic Smoking Devices – Seizure and Wholesaler Licensure Requirements. The intention to crack down on bad actors in the tobacco and ESD markets is crucial, and I commend this initiative. However, as currently written, the bill will cause a clerical and compliance tornado, creating challenges for audits of both businesses and vendors which could render it unenforceable. We should focus on practical amendments that truly address the issues at hand.

I wholeheartedly support the bill's goal of enhancing the ATCC's enforcement authority, as this will protect public health and ensure a fair market. Increasing the power to seize products sold in violation of the law is necessary to eliminate rogue operators that endanger consumers and youth.

I propose an amendment to require all retailers selling electronic smoking devices to obtain a specific ESD retailer license or a vape shop vendor license. This will help regulate the market, ensuring compliance with ID checks, tax laws, and product safety standards. This standard alone will generate a specific list for the ATCC to work with. Currently, it would be burdensome and likely have no effect if vendors must register with the state- who will have the task of auditing this list and then auditing that list against retailers in Maryland? This will not work.

Additionally, it's vital to establish mandatory penalties for businesses that fail to collect or remit sales taxes on tobacco and ESD products. Many retailers are currently noncompliant, depriving the state of millions in revenue. Auditors are overwhelmed; we need clear consequences for tax evasion to deter bad actors and protect honest businesses.

I also recommend limiting the sale of larger-volume vape products (over 5ml) to licensed vape shops. This measure would allow for tighter control and oversight, ensuring that these products are sold in responsible environments that prioritize public health and compliance.

Thank you,

Candice Gott

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