



March 4, 2019

Connecticut General Assembly  
Joint Committee on Public Health

**HB 7200**

**An Act Prohibiting The Sale Of Cigarettes, Tobacco Products, Electronic Nicotine Delivery Systems And Vapor Products To Persons Under Age Twenty-one.**

Dear Chairwoman Daugherty Abrams, Chairman Steinberg, Vice Chairman Lesser, Vice Chairman Young, and Members of the Committee:

The New England Convenience Store and Energy Marketers Association (NECSEMA) represents single site convenience store and gasoline retailers, chain convenience store and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. According to the National Association of Convenience Stores (NACS), there are almost 1,700 convenience stores in Connecticut employing over 25,000 people, and accounting for over \$6.5 million in sales.

NECSEMA does not take a position on whether the statewide minimum legal sales age (MLSA) for tobacco and nicotine products should be increased from 18 to 21 at this time. Instead we defer to the legislature's reasoned judgment taking into account the arguments expressed by experts on all sides of this debate. However, this is not a revenue-neutral measure. If it is determined the MLSA should increase, as a matter of public health, we would expect the legislature will take steps to offset the expected economic impacts for state government and local businesses alike. These adverse impacts will be most apparent in the form of lost tax revenues, reduced sales from current adult customers, and increased administrative burdens during the transition of compliance systems. All this comes in the context of increased labor expenses (minimum wage and paid family medical leave), potential e-cigarette tax increases, and a potential carbon tax at some point in the future. In the likely event retailers are unable to offset these additional costs or replace lost revenue, it will eventually result in fewer employee hours and jobs.

NECSEMA acknowledges the data which shows too many minors are accessing and using tobacco and nicotine products, in particular vape and e-cigarette products. Retailers stand with tobacco control and any other individual or party dedicated to reducing these numbers. In fact, our members are strong supporters of the programs which ensure sales of tobacco are only made to adults, such as the national *We Card* Program. They are the front line of tobacco control playing the single most critical role in preventing youth from purchasing tobacco illegally. In 2018 retailer compliance in the state of Connecticut was

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89% (over 3,741 physical compliance checks) due largely to our efforts. Shamefully, however, despite collecting over \$500 million in tobacco related revenue in FY19, Connecticut contributed nothing toward tobacco control programs (source: American Lung Association). Perhaps a rational first step to reduce use among minors is to put some money into prevention and cessation programs rather than restrict sales to adults.

Before this committee acts on this bill, NECSEMA recommends the Department of Revenue Services issue a comprehensive and complete fiscal note for HB 7200, and the committee explore the steps to re-allocate the tobacco tax it collects toward programs which will address the problem.

HB 7200 also proposes an increase for the dealer license fee from \$50 to \$250 per license. 80% of the funds collected would go to a newly created "tobacco control enforcement account". Considering the state is already collecting over \$500 million in tobacco related revenue, which should be going to education and cessation programs, it is hard to imagine this newly found revenue will actually go toward training the very dealers who are funding the program through increased fees. In addition, the annual fee for an electronic nicotine delivery system (ENDS) certificate of dealer registration would go from \$400 to \$1,000. For those retailers who sell both cigarettes and ENDS, the licenses alone would be \$1,250. It is difficult to understand the rationale for fee increases of this magnitude.

The proposed bill, under section 7, lays out significantly increased penalties for missteps should they occur with 36 months.

Finally, on a more supportive note, NECSEMA commends HB 7200 for imposing penalties on anyone under the MLSA attempting to buy cigarettes or tobacco products, and anyone providing cigarettes or a tobacco product to anyone under the MLSA. As stated before, retailers stand with the legislature and tobacco control in our collective effort to reduce youth using these products, but far too often they are left with deterrence from procuring these products. Retailers understand our responsibility, but agree the youth themselves should hold some as well.

Thank you for your consideration.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Jonathan Shear". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

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