Date: February 2, 2025

To: Maine State Legislature

Appropriations and Financial Affairs Committee

From: Captain Sonia Y. W. Pruitt (retired)

Founder & CEO, The Black Police Experience

Altria Law Enforcement Consultant

Re: LD 210

Honorable Members of the Legislature:

I submit comments as a 28-year police veteran, a professor of criminal justice, and an Altria law enforcement consultant. As such, I register my objection to LD-210, specifically to the effects of the proposed tobacco tax increase of the bill on the ability of law enforcement to successfully serve Maine communities.

My background includes experience in a range of police executive functions, including the intersection of public policy with public safety. I know that very often there are tradeoffs in the budget decision-making process. I also know that those tradeoffs can negatively impact citizens' quality of life if not made with an evaluation from all stakeholders, to determine if the strategies are in alignment with the public needs and desires. Much can be learned by reviewing the history, successes, and pitfalls of previous state budgetary policy decisions, especially as it relates to law enforcement and our most disadvantaged communities. I would like to offer my opinion on this perspective.

I believe that the thought that increases in taxes on tobacco will stop smoking is not fully informed, as it ignores the reality that <u>higher tax rates incentivize illegal underground markets</u>. Consumers and even suppliers will search for ways to sidestep the costs associated with higher taxes. Another unintended consequence is that consumers will shop across state lines where the products they desire are cheaper. This impacts taxes in Maine, as the monies you project to collect will instead go into the coffers of adjoining states or into those of a quickly burgeoning criminal enterprise.

This is a reminder of what happened in 2005 when Maine increased its cigarette tax by \$1, and Maine residents went to New Hampshire to buy cheaper cigarettes. In 2021, in my home state of Maryland, the cigarette tax was increased by \$1.75 per pack. As a result, there was a 29% increase in cigarette smuggling from neighboring states such as Delaware and Virginia into Maryland. Not having learned the lesson in 2021, in 2024, Maryland lawmakers once again increased the cigarette tax by \$1.25, despite dire calls from public policy experts against what we knew would be an increase in smuggling, retail theft, and rising law enforcement costs.

Low income, Indigenous, and the Black populations are among the top communities disproportionately affected by cigarette smoking and tobacco use. They are also vastly and disproportionately affected by violent crime. The U.S. State Department has warned the American people of the <u>seriousness of crimes that are linked to illicit tobacco trafficking</u> from overseas interests, including human trafficking, terrorism, weapons trafficking, and violent crimes. New York has real-time evidence, as it is <u>the number one city for the smuggling of illegal cigarettes</u> into the country. It is estimated that 55% of cigarettes in New York come from

an illegal source. In addition, tax revenues that belong to United States businesses drastically decline with illegal trade, as international cartels, gangs, and domestic organized crime take over the commerce, and businesses that foresee a decline in their profits take the risk of stocking their shelves with illegal and dangerous products that are attractive not only to adult consumers, but also to our youth population. Further, tariffs which the new presidential administration announced for products coming from Canada, Mexico, and China, further increases the burden on adult tobacco consumers—as prices of many items are likely to increase—adding to the regressive nature of this proposal.

Finally, the public health implications of an increase in Maine's tobacco tax should not be ignored. A higher tobacco tax does not necessarily lead to a sustainable decline in smoking, but it will place an unfair social burden on those who will take advantage of a burgeoning and thriving illegal market. This will increase consumer chances of using unregulated, harmful products that are not even produced in the United States, causing the greatest public health impact in our most defenseless communities. Law enforcement is not able to know what dangerous substances are introduced in the illicit tobacco products flooding our country, and with fentanyl being used in other illicit products coming across our borders, illegal cigarettes can become a critically dangerous public health prospect for our communities.

I ask the honorable members of the legislature to consider the negative effects and unintended consequences of a tobacco tax increase, in that it also considers the effect it has on law enforcement, public safety, and public health. Law enforcement needs an enhancement in border security, rigorous tracking mechanisms for tobacco products, and greater cooperation between state and local law enforcement. From a policy perspective, the goal should be to create a balanced and effective policy framework that does not compromise public safety or health and is supportive of the efforts of under-resourced law enforcement, while elevating the quality of life of the Maine community.

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