



TESTIMONY of Megan Diver
Vice President
Maine Energy Marketers Association

**BEFORE THE JOINT STANDING COMMITTEE ON HEALTH AND HUMAN SERVICES
In Opposition to LD 1693**

*" An Act To Advance Health Equity, Improve the Well-being of
All Maine People and Create a Health Trust"*

Senator Claxton, Representative Meyer, and members of the Health and Human Services Committee, my name is Megan Diver, I am the Vice President of the Maine Energy Marketers Association (MEMA).

MEMA is a trade association composed of approximately 300-member companies and over 5,000 direct and 5,000 indirect people working in energy delivery and servicing businesses delivering heating oil, biofuels, motor fuels, propane, pellets and kerosene and offering service and installations on the equipment that operates these fuels. In addition, our members own and operate 70% of Maine's 1,300 convenience stores, throughout Maine and employ approximately 10,000 Maine people and sell more than 1 billion gallons of gasoline and diesel fuel each year. Our members also sell more than 90% of all the propane sold in our state every year. We provide education and training to the heating, ventilation, air conditioning, weatherization, and energy auditing trades for hundreds of Maine citizens each year, through our courses at our own state of the art training facility MEMA Technical Education Center (MTEC) in Brunswick.

While we appreciate the intentions of LD 1693, we are opposed to the bill.

Throughout the COVID-19 pandemic, Maine convenience stores have been in the front lines and stayed open while many would work from home. These retailers that are already struggling to comply with existing regulations and finding employees. They depend on these sales to create regular traffic in their establishments. Our members make every effort to ensure that tobacco products do not get into the hands of our underaged customers, and we are glad to work with you to strengthen those efforts.

Considering a ban on flavored tobacco products may seem to make sense, but history tells us that prohibition for legal adults would backfire and be counterproductive. A century ago government tried to ban alcohol and now with the legalization of marijuana, we have seen first-hand that prohibition for people over 21 does not work and adults should be able to make their own decisions.

Our second concern is the tax increase. This will create even more of a revenue loss for Maine and Maine businesses. With State tax differentials this would drive business to New Hampshire.

Maine ranks 19th in the country for the Highest State Tobacco Tax, this bill would rank Maine 4th. Maine is a poor State, this bill will increase the tax burden and reduce economic activity in Maine thus making us even poorer.

Cross Boarder Sales will increase severely. New Hampshire's tax on a pack of cigarettes is already less than Maine at \$1.78 State Excise Tax (SET) rate today, while Maine is \$2.00; the proposal for \$4.00 would double the price.

With the drastic quick change in price per carton and per pack price differential, trips to New Hampshire will be much more frequent and the loss of revenue for all of these products mentioned will be a multiplier that severely hurts Maine.

Elimination of convenience stores close to the border will occur as marginal stores will not survive. There are many only marginally profitable stores in many small and rural towns. Some of these stores are the only source of gasoline and diesel fuel for miles and provide necessities as community markets. With these price differentials due to taxes, much of Southern and Western Maine will be severely impacted, not to mention the reduction in buying power of adult tobacco consumers on other necessities.

We ask that you vote ONTP. Thank you.