



Maine Grocers &
Food Producers
Association
PO Box 5234
Augusta, ME 04332
207.622.4461
info@mgfpa.org

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IN OPPOSITION – LD 1693 An Act To Advance Health Equity,
Improve the Well-being of All Maine People and Create a Health Trust

Dear Senator Claxton - Chair, Representative Meyer - Chair, and Members of the Committee On Health and Human Services,

My name is Christine Cummings and I am the Executive Director of the Maine Grocers & Food Producers Association (MGFPA). The Maine Grocers & Food Producers Association (MGFPA) is a business trade association representing main street businesses: independently owned and operated grocery stores, supermarkets, food and beverage producers and processors, wholesalers and distributors and allied service companies.

We understand the intent of the sponsor and Committee's interest in creating the *Trust for a Healthy Maine* to oversee the redistribution of money to fund tobacco use prevention and control (while also addressing adequate resources for other disease prevention efforts and promoting public health). There is indeed interest to support adequate appropriations for prevention programming, including LD 1423 which recently passed with a Unanimous Ought to Pass as Amended vote out of the Taxation Committee. You'll also review similar efforts in LD 1868 'An Act To Restore Funding to the State's Tobacco Prevention and Control Program' and LD 1523 'An Act To Establish the Trust for a Healthy Maine'. It is a worthy approach to ensure suitable oversight and a streamlined approach for tobacco education and cessation (which will only help further support Maine's grade 'A' rating on education and cessation from the American Lung Association).

However, we urge the Committee to oppose the proposed flavored tobacco ban and cigarette tax increase. While it is a laudable effort, it is a regressive approach and ineffective. Banning flavored tobacco and increasing taxes will shift sales away from licensed, trained professional retailers and springboard smuggling or counterfeit activities. It will multiply the existing illegal market in Maine, reward criminal smugglers, and cost Maine businesses, workers, and taxpayers' money.

Maine wholesalers and retailers promote and take very seriously the responsible sales of licensed tobacco products. Retail strategies to prevent tobacco use by underage youth involve due diligence including staff training, in store tools and ongoing management. Maine retailers embrace the National We Card Program, Maine's No Buts! Program, FDA Tobacco Training Materials and other training programs provided by wholesale and industry partners to reject underage tobacco purchase attempts. From all accounts, these safeguards are working.

MGFPA opposes a \$2.00 per pack Tax Increase:

- These increases would place Maine's tobacco tax rates at a substantially higher rate than surrounding states. By creating such a variance, business activity will move across the border.
- New Hampshire retailers have made a strong effort to entice consumers from outside its borders to shop. They actively campaign to target out of state consumers to purchase tobacco, spirits, wine, beer, milk and lottery tickets. As adult smokers shift their purchases across state lines, Maine will take the brunt and loose out. Lost sales hurt the bottom lines of our grocers and mom and pop markets as cigarettes are often purchased with other items.
- A reduction in tobacco revenue puts retail jobs at risk, affects more than 1,900 retailers, and has a compounding effect on the economic prosperity of Maine's communities.

MGFPA opposes a Flavored Tobacco Ban:

- Bans do not stop the purchases - they simply switch the point of purchase. In learning from Massachusetts, whose flavored tobacco ban went into effect in June 2020, in the first year - the state lost \$136,000,000 in cigarette sales and excise tax revenue while “sales to New Hampshire have jumped 60 percent in the last year.”¹
- A flavor ban puts our Maine retailers at a significant disadvantage in relation to bordering New Hampshire. “New Hampshire has the highest level of outbound smuggling at 66.8 percent of consumption.”² This statistic is undoubtedly projected to increase if an entire product line is no longer available in Maine.
- A tunnel-vision approach to banning a product will result in lost sales both of tobacco products and other commonly purchased goods including food, beverages, and gas typically purchased alongside tobacco items. This policy will cause compounded financial harm to Maine’s responsible, tax-paying businesses.

The Committee and Maine’s legislature must strike a balance between protecting Maine’s youth and economic viability for Maine’s tobacco retailers. MGFPA supports efforts that increase access barriers and improved education without hindering the market.

Our stores have endured the most challenging time over the last 2+ years. These Maine stores continue to experience labor shortages, they’re continuing to cope with the \$4 an hour minimum wage increase (over the last four years), and have been tirelessly working to ensure Mainers have safe access to food. We ask the Committee to vote Ought Not To Pass on the proposed product ban and tax increase which will effect Maine businesses and Maine residents.

Thank you for the opportunity to provide testimony.



Christine Cummings
Executive Director

¹Two years after Massachusetts approved menthol ban, some lawmakers seek reversal - https://www.berkshireeagle.com/state/two-years-after-massachusetts-approved-menthol-ban-some-lawmakers-seek-reversal/article_7cc111e2-4626-11ec-9ca9-77dad03c0bec.html

² <https://taxfoundation.org/cigarette-taxes-cigarette-smuggling-2020/>