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To: Assembly Health Committee

From: Eric Blomgren, Chief Administrator & Director of Government Affairs

New Jersey Gasoline, Convenience Store, Automotive, Association

Re: Support A-3992 "Increases penalties for certain prohibited sales of tobacco and vapor products" and A-2388 "Requires inspections of retail cigarette and vapor product dealers."

On behalf of our members across this state who sell various tobacco and vaping products, we are happy to support these reasonable efforts to enforce existing laws in the marketplace.

While we may not always agree with all of the laws and regulations in place, we do emphasize to all business owners that once a law is in place it is their duty to follow it, and they in turn expect those laws to be enforced fairly and uniformly.

The marketplace works best when different businesses are competing on as level a playing field as possible. When a law goes unenforced, it skews the marketplace in a way that favors those businesses which are willing to ignore the law, and allows them to profit at the expense of the operator who is doing the right thing.

Many of our members that I have spoken with about these issues over the last four years have told me that a large portion of their competitors are openly selling all kinds of flavored vaping products, even though they are illegal under state and often federal law. Many of these products are low quality disposables from China, which reputable distributors will not carry. It's doubtful whether or not the proper taxes are being paid on them. On several occasions I have even had store owners call me to ask if the flavor ban had been repealed since it seemed like everyone was openly selling them.

It started with the dedicated smoke and vape shops selling these products despite the ban, and then some of the less reputable stores followed, and eventually even honest business operators are left feeling like fools because their customers are explicitly asking them why they are not carrying the products they are looking to buy when most other stores are. Those customers then patronize those other stores, not just for nicotine products but perhaps for their other shopping needs.

The situation with enforcement has gotten so bad that one of the large manufacturers, which will only sell products legal in NJ, has hired one of the state's larger law firms and is literally going store-to-store, and if a location is selling flavored vapes they are sending them a letter threatening

to sue them directly for unfair competition, because they cannot get either the state or local governments to enforce this prohibition on a consistent basis. A few months ago, I joined a meeting with some officials from one of our county governments about the issue, and they effectively told us that the sale of some vaping products, legal in other states, to consenting adults is not going to be an enforcement priority for them, not when they need to deal with everything from fentanyl to auto theft. Unless the state is willing to change the law to once again allow for the regulated sale of these products, it needs to follow through and enforce its policies.

An unenforced prohibition is one of the worst possible policy choices, since the banned products will continue to be sold to the public, but now only sold by the most unscrupulous of operators, while honest businesses will suffer from the reduced sales at their business for no greater societal benefit.

Hopefully these bills will go a meaningful way in addressing the problem.

I ask that you support these bills. Thank you.

