

Date: March 3, 2025

To: Oregon Legislative Committee

From: UTB Investments LLC  
John Harper, Owner

RE: Opposition of HB 702  
Flavor Ban

First and foremost, it's important for you to know that as a RESPONSIBLE RETAILER, we understand the concerns regarding youth smoking and vaping. Please take the time to read my perspective before making a decision.

I'm the owner/operator of four 21+ Smoke Shops in Oregon and have operated in this industry for 30yrs. I've seen an enormous amount of changes throughout this time. Prior to the Cigarette/Vape Tax increase I had 45+ employees. I've had to cut 30% of our staff and know for sure that if this ban is passed, I will certainly have to cut another 30%+ of my staff, who have an average retention rate of 9yrs. These staff and their families have invested their entire lives with this company and had plans to work for me many more years. We provide living wage jobs, affordable housing and a 401k Matching Retirement plan.

What has been accomplished is the reduction in the amount of "tobacco" smokers in the State of Oregon, especially when it comes to our youth. If you reference OHA's own statistics referenced in last weeks meeting, the Tobacco Retail License (TRL) program has made a huge difference in controlling youth vaping. We have always known that smoking may have harmful effects, but so does drinking, eating fast food and taking excessive medications and drugs; yet those persist. **Prohibition on any level doesn't work.**

The reduction in the amount of "tobacco" smokers is largely due in part to the introduction of vape products, as well as the implementation of the OHA Tobacco Retail Licensing program (TRL) and more stringent enforcement actions.

The voters approved the tax on vape products and cigarettes which yields an enormous amount of tax revenue for the State of Oregon, and this industry employs countless employees.

As a retailer, being on the frontline, I can say that our customer base isn't our youth. Our customer base are adults consumers WHO HAVE QUIT SMOKING in favor of Vaping or other Non-tobacco related products.

On a daily basis we are told how ECIGS have helped them stop smoking. That was the entire goal was to curtail smoking; which it has done considerably, with a 25% drop in tobacco sales just in the last couple of years. Additionally, people who are smokers and have surgical requirements are directed to us by doctors to purchase ECIGS so they can qualify for surgeries. Customers have reported better overall health in general since switching to ECIGS. Standard Tobacco flavors would never accomplish this goal, flavors have made this progress possible. I fear that **taking away these options will drive people back to smoking and that would be a regressive action.**

Over my tenure in this industry I've always believed that Tobacco Products should've been treated similar to alcohol, in that they were only accessible in adult approved locations that were age verified. My stores were 18+ stores, and now 21+stores, very similar to liquor stores and dispensaries.

### **DAMAGE CONTROL**

An all out ban of flavored products will be regressive, especially to those who have stopped smoking, certainly eliminate thousands of jobs and reduce tax revenues substantially, slow capital spending and increase vacant buildings as well as unemploying countless people, similar to what's happening on the federal cutbacks impacting people's lives that have been in their jobs for years! Further, this ban will have people ordering online, driving to other states and more than likely contribute to the black market businesses.

### **STATE TOBACCO ENFORCEMENT**

I feel the Oregon Department of Revenue, Tobacco Enforcement Unit, could help reduce the appeal to youth by cracking down on certain vape products that target children, such as RM Vapes (Rick & Morty). Things like this are banned in the State of Oregon and need to be enforced at the retail level since they target youth.

### **COMPROMISE**

Finally, as a compromise, I feel the State could phase in a plan to have flavored products in stores that are 21+ stores, not just out of reach, but out of sight of our youth. Possibly involve the OLCC in management of these products.

**CONCLUSION**

The items noted in the two paragraphs above should be enough to accomplish the goals of the State of Oregon without doing the damage noted under Damage Control herein.

I feel even the minority of people in Oregon have rights as well, to make choices.

**YOU ASKED FOR A REDUCTION IN SMOKING AND YOU GOT IT – BE HAPPY WITH THAT AND FOR THOSE INDIVIDUALS AND THAT YOUTH SMOKING IS ALMOST ELIMINATED! TAKE THAT AS A WIN AND DON'T TAKE A REGRESSIVE POSITION!**

Thanks for taking the time to consider what I have to say as a long-term and objective operator in this industry.

Respectfully,

John Harper