



Introduction

- > Joe Gibson with Dari-Mart Stores Inc
- > Own and operate 39 stores – Lane, Linn, Benton Counties
- > Here today to express my opposition to Senate Bill 702

Senate Bill 702

Section 1, subsection (2)(h) “It is unlawful:

“(h) To distribute, sell, attempt to sell or offer for sale a flavored inhalant delivery system product or flavored tobacco product in this state.”

- Rather than “ban” or “prohibit” the sale of flavored products, whether they be a traditional tobacco product or an inhalant delivery system (vaping) I would encourage the committee to take a different approach.

The use of these products is clearly intended to represent an adult decision – for those individuals who are at least 21 years of age:

Reference:

Oregon increased the minimum age from 18-to-21 in 2017 with the enactment of Senate Bill 754

Federal legislation in 2019 increased the minimum age from 18-to-21 nationally

- Thus, I might suggest the state direct its efforts to the issue of tobacco use or inhalant delivery devices to minors – those under the legal age of 21.



Our family's best.

Another alternative I would like to propose would be to have the State of Oregon start to enforce/remove from retail sales items that are not on the FDA's authorized list. This would include ALL or nearly all of the flavored vapor products with flavors that appeal to kids

According to the Oregon Health Authority (OHA) the use of traditional tobacco products, as well as inhalant delivery systems (E-cigarettes) continues to decline during recent years. However, the use of E-cigarettes or vaping devices remains substantially higher than that of traditional products.

Therefore, I would suggest the focus of current discussions should be centered on minors and vaping-related products rather than on adult decisions.

- Financial implications associated with a comprehensive ban on flavored products

State FY (July 1 – June 30)

2022/23 FY vs. 2021/22 Cigarette revenue decreased (-9.20%)

2023/24 FY vs. 2022/23 Cigarette revenue decreased (-9.81%)

Reference:

2022/23	Cigarette tax revenue - Oregon	\$328,216,543
2023/24	Cigarette tax revenue - Oregon	\$296,003,422
2022/23	OTP tax revenue	\$87,462,756
2023/24	OTP tax revenue	\$80,270,359

**Inhalant delivery systems represent approximately 35-40% of OTP revenue

Comprehensive flavor ban

Estimate 22.5% loss in cigarette tax revenue (menthol)

Estimate 75% loss in OTP tax revenue



- Financial implications for Dari-Mart operation

Lawful, flavored nicotine products account for roughly \$2 Million dollars in annual sales.

A loss of these sales and profits would force us to reduce our employed staff by roughly 10% or between 35-45 full time jobs

- Summary

- > The use of these products clearly represents an adult decision
- > State efforts should be re-focused to the use of flavored nicotine products, specifically the flavored products that have not been authorized by the FDA.
- > Thank you