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May 20, 2025

Subject: Opposition to SB702A

Chair Meek and Committee Members,

Plaid Pantry, which owns and operates 104 convenience stores in Oregon, is strongly opposed to SB702A. As I have testified multiple times, Plaid Pantry puts a lot of training and investment into insuring that we don't sell age restricted products to minors and we have an outstanding compliance record that we are VERY proud of!

Overall Oregon's tobacco retailers' compliance record, while not at the level of Plaid Pantry, has shown steady improvement over the last several years. The OHA data attached shows that tobacco retailers had a 14% failure rate at the end of 2024. However, OLCC's compliance rate for selling age restricted product for that same period is a 24% failure rate. (see page 25 of the OLCC report attached). Plaid Pantry knows from experience how difficult it is to move compliance performance in a positive direction by 10 points, it took more than a decade of HARD work for us to get there.

IF the primary goal is to keep flavored tobacco products out the hands of children why would anyone think it's a good idea to make buying those products **exclusively** at OLCC stores that are selling age restricted products to nearly 1 in 4 minors?

From a fiscal perspective this bill would be incredibly damaging to both local businesses AND states tax revenue. There are currently more than 2,600 retailers that sell tobacco products in the state but there are only 282 OLCC stores. Forcing consumers to shop for the products they want at so few locations will likely move many of them online. Online sales mean less control and fewer tax dollars. It also means the brick-and-mortar stores will lose all the associated sales that accompany a tobacco purchase and that will be devastating to many of them.

Please oppose SB702A and let's continue to improve compliance. Plaid Panty has been leading that charge and we are happy to assist in any way we can.

Jonathan Polonsky
CEO, Plaid Pantry

Oregon Tobacco Inspections Report

February 2025



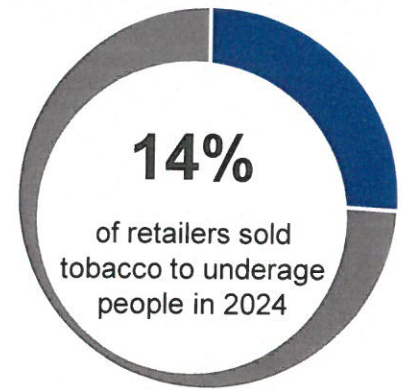
Program Description

Any business that sells tobacco or inhalant delivery systems (known as e-cigarettes) in Oregon is required to get a tobacco retail license.

Tobacco retail license programs are an effective way to:

- Protect youth from commercial tobacco addiction.
- Educate retailers about tobacco sales laws.
- Hold retailers accountable by imposing effective penalties.

Oregon law prohibits the sale of tobacco products and inhalant delivery systems to persons under 21 years of age. The Oregon Health Authority (OHA) Tobacco Retail License Program conducts random, unannounced inspections of tobacco retailers. If the retailer makes an illegal sale during an inspection, OHA issues a civil penalty to the license holder. In 2024, OHA inspected 99.3% of tobacco retailers licensed by the state. Data in this report are from a representative sample of state and local license program inspections.



There was a 33% decrease in violations from 2023 (21%) to 2024.

Violations varied by product type. In 2024, e-cigarettes, the tobacco product most commonly used by youth, continue to be sold more often than cigarettes and little cigars.



The Oregon Tobacco Retail License Program and local programs worked with **26 young adult inspectors in 2024**. Young adult inspectors gain:

Mentorship

Job skills development

Understanding of public health

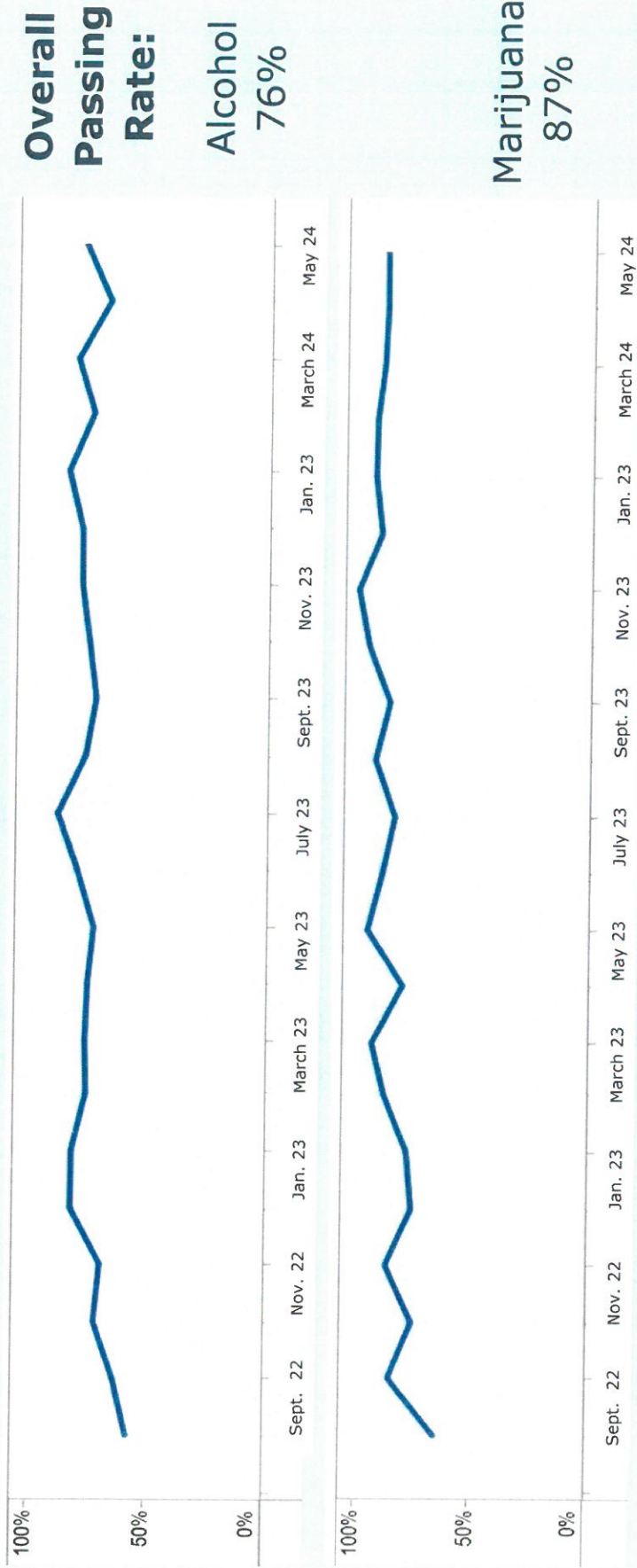
Meaningful employment

Protecting Youth

Research shows that if people do not start smoking before they turn 19, they are far less likely to ever start. While youth use of cigarettes has been decreasing over time, use of other tobacco and nicotine products, such as e-cigarettes, is still a concern. Standing firm on laws that protect youth is important to hold the tobacco industry accountable for its addictive products.

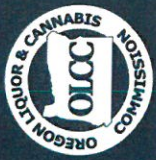
OLCC COMPLIANCE: PREVENTING SALES TO UNDERAGE CUSTOMERS

Minor Decoy Operations between August 2022 and May 2024



Restart of operations following Covid crises

Aiming for 90%, as set by legislature in 2020.



Source: <https://www.oregon.gov/olcc/pages/minor-decoy-operations.aspx>