



Mike Hannon
President, Portland
Core Mark

Dear Members of the Senate Committee on Finance and Revenue,

Core Mark opposes SB 702 A-Engrossed and its amended state, which seeks to ban and/or alter the playing field on the sale of all flavored tobacco and nicotine products in Oregon. We are a Clackamas-based wholesaler that sells food and non-food products to over 1,000 convenience stores in Oregon, >90% of our supplied stores are locally and regionally owned. We have grave concerns on the detrimental impact this calculated ban would have on Oregon's economy, small businesses and adult consumers.

A substantial amount of revenue generated from tobacco and nicotine sales is tied to many state programs and initiatives, like the Oregon Health Plan and the Oregon Health Authority. Defunding those means that Oregonians who rely on health care and other life-saving services would be at risk, and that's not counting the more than \$90 million in lost revenue if this bill is signed into law. Moreover, many small business owners rely on the legal sale of these products to stay afloat. Banning flavored tobacco will force consumers to seek alternative sources, jeopardizing local businesses, cutting jobs, and shrinking tax revenue at a time when the state should be focusing on economic improvement and growth. The latest figures from Oregon's economic and revenue forecasts paint a bleak picture. 2023-25 revenues "...are underperforming expectations," while "closing on a weaker note." Our next biennium, 2025-27, is projected to start with hundreds of millions less compared to earlier forecasts. SB 702 A-Engrossed will do even further damage to our reality.

Rather than enacting a hedged ban that protects 282 Oregon-run liquor stores while negatively impacting Oregon's ~3,000 convenience stores, the state should focus on enforcing existing laws that prevent underage access to tobacco products. That would strike the proper balance of protecting youth and allowing businesses to continue growing.

We urge you to consider the economic and practical implications of this legislation. A flavored tobacco ban will not achieve the public health benefits it promises but will instead create greater harm to Oregon's economy, local businesses, and consumers. We respectfully ask you to oppose this measure and pursue policies that uphold responsible regulation rather than ineffective prohibition.

Thank you for your time and consideration. Please vote NO on SB 702 A-Engrossed.

Mike Hannon
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