

Submitter: Wayne Abbe  
On Behalf Of:  
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Measure, Appointment or Topic: SB702  
SB 702 Threatens Oregon's Small Businesses

Oregon's Senate Bill 702, which seeks to ban the sale of flavored inhalant delivery systems and flavored tobacco products, is presented as a public health measure. However, this legislation overlooks the devastating economic impact it would have on small businesses across the state. As a policy that restricts access to products many consumers rely on, SB 702 risks shuttering family-owned vape shops, convenience stores, and other small retailers, undermining Oregon's entrepreneurial spirit and local economies.

#### Economic Devastation for Small Retailers

Small businesses, particularly vape shops and specialty tobacco retailers, rely heavily on the sale of flavored vaping and tobacco products. These products often account for a significant portion of their revenue. By banning their sale, SB 702 could force many of these businesses to close their doors. According to testimony submitted to the Senate Committee on Early Childhood and Behavioral Health, small businesses have voiced strong opposition, citing the potential for widespread closures. These businesses are not large corporations with the resources to pivot; they are often family-run operations that employ local workers and contribute to community vitality.

The bill's proposal to redirect sales of these products to state-regulated OLCC liquor stores exacerbates the issue. This move would strip small retailers of a key revenue stream and hand it to a government-controlled entity already criticized for mismanagement and scandals. Forcing consumers to purchase these products exclusively at liquor stores not only limits customer choice but also creates an unfair market advantage for OLCC outlets, effectively punishing small businesses for operating in a legal industry.

#### Stifling Consumer Choice and Market Freedom

SB 702's blanket ban on flavored nicotine products, even those authorized by the FDA as less harmful than traditional smoking, disregards consumer preferences and the role of these products in harm reduction. Many adult consumers rely on flavored vaping products to transition away from combustible tobacco, a choice that has been shown to improve health outcomes. By eliminating these options, the bill could drive consumers to black markets or out-of-state retailers, further eroding revenue for

Oregon's small businesses. This loss of sales not only impacts store owners but also reduces tax revenue that supports local services.

Moreover, the bill's approach assumes that small businesses can easily adapt to such a drastic change in their product offerings. In reality, many vape shops are built around the niche market of flavored products. Losing this segment would require a complete overhaul of their business models, a costly and often unfeasible task for small enterprises with limited capital.

### Ethical and Practical Concerns

The push to centralize sales in OLCC liquor stores raises serious ethical questions. The OLCC has faced criticism for financial mismanagement, transparency issues, and improper conduct, as highlighted by the Taxpayers Association of Oregon. Entrusting such a scandal-prone agency with an expanded role in regulating vaping and tobacco products is not only impractical but also risks further eroding public trust. Small business owners, who have operated responsibly within existing regulations, deserve better than to have their livelihoods sacrificed to bolster a state agency's control.

Additionally, the bill's restrictions could disproportionately affect marginalized communities, where small businesses often serve as economic anchors. Forcing these products into liquor stores, which may not be as accessible in rural or underserved areas, could further strain local economies already struggling to recover from economic challenges.

In conclusion I would urge you to not move forward with this harmful piece of legislation.

Thank you for the opportunity to voice my concerns.