

This is Sam's Tobacco; we're contacting you regarding the new bill to be voted on. As it is happening in total and complete disregard to Businesses and their employees. We wanted to make sure voices are heard and send our message out to the state legislation.

- People won't quit tobacco products if a statewide flavor ban is implemented, they will just change where they purchase their products.
- According to the National Institute on Drug Abuse and public use data, banning menthol is unwarranted by the facts. 98% of Minnesota youth have NOT smoked, even a puff, of a menthol cigarette in the past 30 days. That same study found that youth are much more likely to have smoked marijuana, than smoked, even a puff, of a menthol cigarette.
- Minnesota currently ranks 5th in the United States for smuggling tobacco products. Cigarette tax avoidance and evasion has an estimated smuggling rate at 35.77%, with over 81,000 packs of cigarettes smuggled into Minnesota, that represents a tax loss of \$293,492,098.
- Why would you consider eliminating products the FDA states are 95% safer than combustible products?
- Governor Walz has proposed a \$1 per pack tax increase. A tax increase will not make up the loss from the implementation of a flavor ban. In fact, Minnesota stands to lose \$209 million if this bill is passed.
- This tax will do more harm to the state budget while not generating the revenue needed to support cessation programs the Governor wants to implement.
- Minnesota currently ranks ninth in state cigarette excise taxes. If passed, Minnesota would move up to the fourth-highest nationwide. We will become an island surrounded by states with significantly lower taxes.
- Cigarette taxes are one of the most regressive forms of taxation a government can impose. The governor's proposed tax increases would be financially devastating to many lower-income Minnesotans.

· If a menthol ban is implemented in Minnesota, you can count on the following:

- Menthol sales to move out of the state
- Remaining sales will shift to non-menthol brands
- Smoking rates will NOT drop
- Local retailer revenue will diminish, and state tax revenues will fall substantially
- As we have seen in previous failing policies, consumers in the Twin Cities area are one hour away from our neighboring state WI. And a huge chunk of that revenue will move outside of our state lines. In addition, we have three neighboring states that don't have the outrageous tax our local businesses have to deal with in Minnesota.
- This policy will affect thousands of lives depending on this industry not to mention the state revenue loss.
- We are looking at a big example in the state of California, how regulations and outrageous guidelines push businesses away, causing higher losses in revenue in the long term
- This is a product sold to adults and adults only. Why isn't there any bans on flavored alcoholic products? If our state is truly caring and wants to stop youth consumption of adult products. Then they should create a policy that will help in the reduction of such products and not target an industry that has been struggling for the past 10 years.
- As business owners, are hearing about this policy many are already considering moving out of state.

- That outcome will damage our local economy over the next several years

- We only ask to vote your conscience, and keep families depending on this industry in mind.

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