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ECONOMIC IMPACT REPORT FINDS SB 810 FLAVOR BAN WILL FURTHER DECIMATE FLORIDA'S SMALL BUSINESSES

Now More Than Ever is the Time to Support, Not Close, Hundreds of Small Businesses

Washington, D.C., March 20, 2020 – The Vapor Technology Association (VTA) today released an economic impact report that highlights the devastating consequences of SB 810 – legislation headed to Governor Ron DeSantis' desk – that would ban the sale of flavored e-liquids sold to adults by over 800 small businesses in Florida.

The new report, entitled "SB 810 Will Decimate Florida Small Businesses," prepared by economists John Dunham & Associates ("Dunham"), reveals that if Governor DeSantis signs SB 810 more than 4,500 Floridians will be put out of work and more than \$186 million in wages and benefits will lost.

The new report analyzes sales of flavored vapor products in the independent vapor distribution chain and finds that approximately 79.4% of sales of vapor products are flavors other than tobacco and menthol. Dunham concludes that "if Senate Bill 810 is signed into law, the independent vapor segment of the market would cease to exist in any meaningful way since the vast majority of the 803 independent small vape shops in the state would likely have to close."

Recent federal legislation, as well as legislation enacted in other states has already dramatically impacted the vapor industry in Florida. The industry has lost nearly 2,450 full-time equivalent positions since 2018, in part due to reductions in jobs at the state's 33 vape component and e-liquid manufacturing facilities. According to Dunham's analysis, SB 810's flavor ban would result in the elimination of over 4,500 additional jobs in Florida, decimating the independent vapor products industry. In addition, he said that a Florida flavor ban would have an adverse impact on the Florida economy and will "cause the loss of \$605.6 million in economic activity."

Specifically, SB 810 would result in the loss of an additional \$48.4 million in revenues for the state of Florida. Dunham concludes, "Now in particular, with the country reeling



from the effects of the COVID-19 pandemic, the state should not move to close even more important small businesses and manufacturers."

"With the COVID-19 pandemic already closing down businesses throughout the United States and Florida, now more than ever is the time to support, not close, hundreds of small businesses. This is the worst possible time for Florida's Chief Executive to sign a bill which, with the stroke of his pen, will put more than 4,500 hard-working Floridians out of work," said **Tony Abboud, Executive Director of the VTA**.

"It is not often that you see legislation that will blow an additional \$600 million hole in a state's economy, but that is what the shortsighted 'ban-only' crowd will deliver to the people of Florida without reason or rationale," Abboud said. "Vapers across the state have been urging Governor DeSantis to veto SB 810, which will have devastating consequences for both Florida's economy and for those Floridians desperately trying to quit smoking."

"The Trump Administration already has raised the vaping age to 21 nationally and has imposed a flavor ban on the largest companies in its efforts to reduce youth vaping. SB 810 will do nothing more to protect youth and will instead shut down hundreds of small businesses and lay off thousands of Floridians and lead adult consumers back to smoking or to the black market with horrible consequences," said Abboud.

Abboud added: "Everyone knows that a flavor ban is simply the wrong policy. Bans don't work, they never have. We are committed to working with lawmakers in Florida, as we did this session, on a real and rational regulatory bill that would have created real solutions to achieve the twin goals of restricting youth vaping, which is already illegal for those under 21 in every state, and preserving flavored alternatives for adult Floridians who rely on these products as a healthier alternative to traditional cigarettes."

Dunham's flavor ban report for Florida can be found here.

About the Vapor Technology Association

The Vapor Technology Association is the U.S. non-profit industry trade association whose 1000+ members are dedicated to innovating and selling high quality vapor products that provide adult consumers with a better alternative to traditional combustible cigarettes. VTA represents the industry-leading manufacturers of vapor devices, e-liquids, flavorings, and components, as well as the largest wholesalers, distributors, importers, and e-commerce retailers, in addition to hundreds of hard-working American brick-and-mortar retail store owners throughout the United States. Follow us on Twitter.