



***The California Association Representing Independent Fuel, Lubes and Convenience Store Interests***

June 22, 2016

The Honorable Rudy Salas  
Chair, Assembly Business & Professions Committee  
State Capitol  
Sacramento, CA 95814

**Subject: CIOMA Strong Opposition to SB 1400 (Wieckowski); Prohibiting tobacco sales at convenience stores. As amended 6/21/16.**

Dear Chairman Salas:

On behalf of the independent fuel marketers and convenience store owners in this state, we wish to register our **strong opposition to SB 1400 (Wieckowski)**. This measure will prohibit sale of tobacco products and related items in convenience stores. We represent approximately 2500 retail outlets in this state, most of which have a c-store offerings included with their business.

The most recent amendments to the measure do nothing to remove our strong opposition to SB 1400.

Sale of tobacco products provides essential revenues for the operation and profitability of convenience stores, allowing continued operation of those vital community service locations. Prohibiting sales of tobacco products will create serious, if not fatal, consequences for such businesses. Passage of SB 1400 will likely result in reduced hours of operation, reduction of product variety, shorter work hours/layoffs for c-store employees, or shuttering of locations.

There is no good reason to support the prohibition in SB 1400:

- Convenience stores have a well-deserved and positive compliance record; serving only those eligible to buy legal tobacco products.
- Convenience stores provide essential community employment and tax base support.
- These businesses provide civic support in the neighborhood – sponsorship or in-kind donations for sports leagues, community organizations and local events.
- Increased tobacco sales requirements including age limit, licensing fee increase and stronger enforcement funding have all taken place very recently, all with the support of the anti-tobacco special interests.

Further, SB 1400 will have serious tax revenue consequences statewide:

- Reduction of approximately \$56 million in tobacco excise taxes, which fund a variety of public health programs.

- Reduction of sales tax by \$29 million, negatively affecting both state and local coffers.
- It may have even more dire consequences by driving tobacco customers to black or grey markets with consequent loss of additional revenue.

Lacking any valid public policy objectives; damaging a vital economic component which creates valuable entry level and employment and career path training; crippling all consumers with less choice and convenience, while curtailing valuable public health programs and lessening essential state and local tax revenues – SB 1400 is meritless.

**We ask all Business & Profession Committee members to vote NO on this unworthy measure.**

Sincerely,



Jay McKeeman, Vice President of Government Relations & Communications  
California Independent Oil Marketers Association (CIOMA)

cc: Members of the Assembly Business & Professions Committee  
Senator Bob Wieckowski  
Assembly B&P Consultant  
Republican Consultant: Jared Yoshiki (same?)  
Governor's office: Graciela Castillo-Krings (same?)