



Honorable Maria Del Carmen Arroyo
Health Committee Chair
New York City Council
250 Broadway
Suite 1768
New York, NY 10007

December 6, 2013

Re: T2013-7248, In relation to the regulation of electronic cigarettes.

Dear Chair Arroyo:

On behalf of the New York Tobacconists Association (NYTA) I want to thank you for inviting us to provide testimony regarding your proposal pertaining to the regulation of Electronic Cigarettes (T2013-7248). NYTA represents tobacco retailers throughout the State of New York and within New York City. There are at least 50 retail tobacconists within the 5 boroughs of New York City selling premium cigars; which is very different than a neighborhood bodega or other convenience store that would sell e-cigarettes. With our best estimate, the 50 retail tobacconists employ approximately 300-350 people who are trained to properly service the premium cigar customer.

While NYTA takes no position on the goal of your legislation as it pertains to the regulation of electronic cigarettes as a tobacco product, we strongly urge you to consider amendments to the provisions of the proposal which would place new and potentially duplicative, burdensome and costly regulations on tobacco retailers in New York City. As you may be aware, tobacco retailers within the State and the City are generally comprised of small business each with a relatively few employees who help perform many of the functions of running and operating the business.

Many of our members generally sell cigars, pipes and tobacco related products but not cigarettes and as such while we are not required to register with New York City, we do register, file with and are regulated by the NYS Department of Taxation and Finance. As a small business we are required to file a monthly Other Tobacco Tax return, a monthly Sales & Use Tax return,

and for some the Quarterly NYC Commercial Rent Tax. This normally requires hiring an outside accounting firm to complete these tax returns.

Also, our members voluntarily take extra precaution within our premium cigar industry to engage in the *We Card* program created by The Coalition for Responsible Retailing because we know since tobacco sales are a big part of the tobacco retailers' everyday lives, and that retailers we need help training our employees to prevent the underage sale of tobacco.

While we continue to promote good and responsible business practices we are greatly concerned that the administrative burdens placed upon our members by the new regulatory requirements will impede the ability of these small businesses to grow and support the employee base it provides to the City and State. We are particularly concerned with sections 12 and 13 which will empower the NYC Department of Health with the authority and obligation to promulgate rules pertaining to the registration, regulation and financial review of our small business members without proper review and adequate understanding of our small businesses or the regulatory environment they currently have to contend with.

While your committee's investigation and oversight of the electronic cigarette industry may be an important function to undertake, we implore you do reconsider the inclusion of retail tobacco stores in any new regulatory scheme at this time. Rather, we invite you and your colleagues to, and would enthusiastically support, a continued discussion with our industry so that you can fully understand the potential effects of any further regulatory requirements upon NY's retail tobacco stores.

Thank you in advance for your consideration of this matter and I look forward to hearing from your office in the near future so that we can more fully discuss this matter

Sincerely,

Scott Bendett

Scott Bendett
New York Tobacconist Association
Vice President