

May 12, 2026

The Honorable Louis DiPalma  
Senate Finance Committee  
Rhode Island State House  
Providence, RI 02903

***RE: Senate Bill 2098 – Menthol Electronic Nicotine-Delivery System Ban – NECSEMA Opposes***

Dear Chairman DiPalma and Members of the Senate Finance Committee:

The New England Convenience Store & Energy Marketers Association (NECSEMA) represents convenience stores and gasoline retailers, independent transportation fuel distributors, and the businesses which supply them. NECSEMA members own, operate and/or supply the majority of the 550 convenience stores in Rhode Island. Our members are a significant contributor to Rhode Island's economy, employing over 8,800 people and remitting over \$750 million to the state's tax coffers annually. We play a crucial role in the state's commercial landscape, providing essential goods and services to residents, generating employment opportunities, and contributing to the overall prosperity of local communities.

Senate Bill 2098 would prohibit the sale of menthol electronic nicotine-delivery system (ENDS) products in Rhode Island. This proposal risks significant unintended economic consequences, undermines existing regulatory compliance systems, and is unlikely to achieve its stated public health goals. In Massachusetts, our retailers have seen firsthand the impact of a flavored tobacco ban, as the policy has done nothing but drive consumers over state borders in search of their preferred products.

Rhode Island currently relies on vapor product excise taxes as a meaningful source of revenue. The state collected \$2,112,903 in vapor excise tax revenue between July and December 2025, equating to approximately \$4.23 million annually. Menthol products represent 31.4% of the e-vapor market. A ban on menthol e-vapor products alone would place over \$1.3 million in annual tax revenue at risk.

That revenue, much of which is derived from Massachusetts customers, will now shift to New Hampshire and Connecticut, and local retailers will lose the accompanying sales of gasoline, milk, candy, and other convenience store products. Consequently, the tax revenue loss to Rhode

Island will not be limited to tobacco excise taxes, but other sales and excise taxes associated with the entire basket of goods now sold at our retailers stores that will now be purchased out of state.

The argument that this ban will reduce youth access to menthol flavored vape products simply falls flat. Youths are not legally purchasing these items at our members' stores. Licensed Rhode Island convenience retailers operate under strict tobacco and vapor sales laws and take their compliance responsibilities seriously. These include age verification (21+), compliance checks, ID scanning, employee training, and significant penalties for violations. Compliance rates are consistently high, demonstrating that the regulated retail channel is not the primary driver of youth access.

Furthermore, evidence from Massachusetts shows that tobacco flavor bans don't work. Massachusetts experienced significant declines in tobacco excise tax revenue and increased illicit market activity following its flavor ban. Nearly 50% of cigarettes consumed in the state are sourced from outside its borders. These outcomes demonstrate that prohibition policies lead to unintended consequences without delivering unique public health benefits.

When legal products are removed, consumers shift to neighboring states or illicit markets. This results in lost revenue and reduces regulatory oversight. It is better for the state, and consumers, to keep products available in legal and heavily regulated retail channels. If consumers decide to travel to another state, or purchase unverified products with no age restrictions online, then both the state and the consumer suffer.

In conclusion, S. 2098 would eliminate a significant portion of Rhode Island's legal vapor market, jeopardize more than \$1.3 million in annual tax revenue, and replicate the unintended consequences already observed in Massachusetts without delivering meaningful public health benefits.

For these reasons, NECSEMA respectfully urges the committee to oppose Senate Bill 2098. Please don't hesitate to contact me if you have any questions or concerns.

Sincerely,

Peter A. Brennan, Esq