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January 26, 2025

North Dakota Senate

Subject: Urgent Concerns Regarding Senate Bill 2281 and its Devastating Impact on North Dakota's Small Businesses

Dear Members of the North Dakota Senate,

I am writing to express my profound concern regarding Senate Bill 2281, which proposes significant tax increases on tobacco and nicotine products. As the owner of Urban Vape, a small business in Grand Forks employing five individuals, I fear this legislation will severely jeopardize the viability of my business and potentially force its closure. This concern is shared by virtually all small tobacco and nicotine retailers across North Dakota.

Our shop specializes in nicotine vape products. The substantial increase in the cost of goods imposed by SB 2281 will severely impact our profit margins, making it impossible to remain competitive and profitable. This will not only threaten our business but also the livelihoods of our five employees, and the numerous employees working in similar shops across the state. The vast majority of tobacco and nicotine retailers in North Dakota are small businesses. Unlike large corporations, small businesses like Urban Vape lack the resources to absorb such a dramatic tax increase.

The experience in Minnesota, just across the river, serves as a stark warning. Similar tax increases have led to the closure of many businesses in that state due to the dramatic increase in product costs and a subsequent shift to the dangerous black market. This is not simply an economic concern, but a public health crisis in the making.

SB 2281 risks driving North Dakota customers to purchase unsafe, unregulated e-cigarettes from the black market or to make online purchases from out-of-state vendors, thereby weakening consumer protections and increasing the risk of exposure to unregulated, harmful products. This creates a serious public health risk that far outweighs any potential revenue gains from the tax. The black market offers no consumer safeguards, and the lack of regulation allows for the sale of products containing dangerous ingredients.

I urge you to reconsider the provisions of SB 2281 and to carefully assess the potentially devastating consequences for small businesses and more importantly, the public health. We implore you to find an alternative solution that doesn't cripple the livelihoods of hardworking individuals, undermine consumer safety, and create a thriving black market for dangerous, unregulated products.

Thank you for your time and consideration of this urgent matter. I am available to discuss these concerns further at your convenience.

Sincerely,

A handwritten signature in black ink that reads "Zachary Johnson". The signature is written in a cursive, flowing style.

Zachary Johnson
Urban Vape