

the
RETAILERSedge
Minnesota Retailers Association

August 20, 2014

Council President Kathy Lantry
Councilmember Dan Bostrom
Councilmember Amy Brendmoen
Councilmember Russ Stark
Councilmember Dai Thao
Councilmember David Thune
Councilmember Chris Tolbert
15 West Kellogg Boulevard
St. Paul, MN 55102

Councilmembers,

The Minnesota Retailers Association—a collection of 1,500 retailers across the state including St. Paul—is concerned about the enactment of Ordinance No. 14-34 as it seeks to regulate the price and/or quantity relating to the sale of cigars in St. Paul.

The Minnesota Retailers Association and the retailers we represent support efforts to keep tobacco products out the hands of children, however we feel the approach to address a lack of compliance by a small percentage of retailers harms the operations of responsible retailers and the jobs they provide.

Specifically, our concerns are:

- The ordinance seeks to regulate a legal product in a way that puts responsible retailers at a marketplace disadvantage in relation to retailers in neighboring cities.
- Compliance studies show that a vast majority of retailers in the City are effective in training employees and running programs to prevent tobacco sales to minors. This ordinance would essentially punish retailers working hard to prevent underage sales while doing nothing to address retailers in violation of the law.
- Retail is vital to St. Paul's economy. This ordinance likely puts jobs in jeopardy, especially given the low margins that exist at the retail level. Brooklyn Center retailers operating under a similar ordinance have reported to us a noticeable drop in sales, resulting in changes to their operations.
- The City of St. Paul has worked hard in the area of economic development. This ordinance will likely make starting a retail business in St. Paul less attractive, thus discouraging investment.

It is our opinion that the ordinance as outlined punishes responsible retailers without accomplishing the goal of reducing underage tobacco use. The Minnesota Retailers Association would appreciate an opportunity to discuss options to the ordinance.

Sincerely,



Bruce Nustad, president