

I am Peter Krueger testifying this morning in support of the fiscal impact to fully stand up and maintain a vapor directory in Nevada as outlined in Senate Bill 435.

LWith over 20 years' experience representing retailers in Nevada, I want to implore this committee to approve the fiscal part of this bill!

Not approving these fiscal notes is to permit another two years of the sale by some retailers of illegal vape products such as this I have in front of me. I would hope you will view the fiscal notes as "seed money". Money needed to provide the Attorney General and Department of Taxation with the information and enforcement tools needed to prevent the sales of illegal vape products. I remind you of what happened just a few months ago in Douglas County school where illegal vapes were found to be laced with fentanyl. Senate bill 435 with the monies you are being asked to approve this morning will go a long way to prevent these health risks from getting into the hands of our youth.

It appears from reading the fiscal note that standing up and maintaining a vape directory will cost about ~~\$8~~<sup>3.5</sup> million dollars most if not all will be paid by manufacturers through an initial and annual \$6,000 fee. There is also a method in the bill for the state general fund to recover some of the initial cost of implementing the directory. SB 435, with its implementing fiscal notes is much needed public policy.

You are likely to hear from the opposition if they even speak to the fiscal notes that the need for time to sell illegal vape products most of which are imported from China. The fiscal notes make it unprofitable to sell these zap products (SHOW EXAMPLES). I would suggest if this is their business model, selling illegal and harmful products to our youth then they should seek another business model.

Failing to approve the fiscal notes insures another 2 years of illegal vaping products in Nevada to our youth.

The committee's approval of these "startup costs" will begin the process of reducing and ultimately eliminating a growing health risk and organized crime money making scheme.

Thank you

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