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9:30 am CST

House Finance and Taxation Committee for the 69<sup>th</sup> ND Legislative Assembly

Chairman Headland, and members of the House Finance and Taxation Committee, hello, my name is Heather Austin, and I am the Executive Director for Tobacco Free North Dakota. The mission of Tobacco Free North Dakota is to improve and protect the public health of all North Dakotans by reducing the serious health and economic consequences of tobacco use, the state's number one cause of preventable disease and death. Thank you so much for your time this morning.

Today I am here to show support for HB 1570, the bill to increase the tax on cigarettes and other forms of commercial tobacco. I've included several handouts with my testimony, including one explaining the many different types of commercial tobacco.

This year North Dakota observes the 32<sup>nd</sup> anniversary of the last time we raised the price of commercial tobacco in our state. In 1993, the tax rate was set at 44 cents per pack of cigarettes, making us 8<sup>th</sup> in the nation for tobacco tax rate. In the 32 years since that time, ND has gone from 8<sup>th</sup> to 49<sup>th</sup>, with the same 44 cents still being collected. Over three decades, medical costs and insurance premiums have increased, and the detriments of lost productivity and wages have been felt by many families in our state because of it, including my own.

According to the Dept. of Health Tobacco Surveillance Data Table in 2023 for North Dakota, tobacco use cost our state \$379 million in Smoking Attributable Medical Expenditures, and \$715 million in Smoking Attributable Productivity Loss. That is over a BILLION dollars annually in smoking related expenses to the state of North Dakota! We simply have not been able to counteract that in North Dakota when it comes to the cost of commercial tobacco. And now is the time to correct that. Raising the excise tax, and creating parity, for all commercial tobacco products could help offset some of these costs for our taxpayers.

HB 1570 is also our chance to close the loophole for electronic tobacco and nicotine products, alongside other smokeless tobacco and nicotine products in North Dakota, treating them all equally with respect to taxation, so that we avoid creating product "winners and losers" in our policies. This makes good sense and provides the added benefit of protecting our kids, and providing funding for services for our citizens, and that creates a healthier state.

I'm happy to point out that North Dakota has one of the best Quitlines in the nation with NDQuits. They are standing ready to help make sure no citizen has to continue paying the price of commercial tobacco with their money or their health. The 2014 Surgeon General's report stated, "The evidence is sufficient to conclude that increases in the prices of tobacco products,

including those resulting from excise tax increases, prevent initiation of tobacco use, promote cessation, and reduce the prevalence and intensity of tobacco use among youth and adults.”<sup>ii</sup>

The following organizations have signed TFND’s resolution of support for a tobacco price increase: Bismarck Tobacco Free Coalition, Blue Zones Projects Grand Forks, Cavalier County Board of Health, Cavalier County Commission, Carrington Area Healthy Communities Coalition, Grand Forks Tobacco Free Coalition, Legacy High Stop the Cloud, Langdon Prairie Health, Nelson-Griggs Board of Health, Olive Motherhood Foundation, Walsh County Board of Health, Walsh County Tobacco Free Coalition, Walsh County District Health, Walsh County Substance Use Prevention Coalition, and Western Plains Board of Health.

You are also receiving a highlight sheet from Stand Up for Youth – ND, a new coalition supporting this bill, whose members are listed on the back.

Again, thank you for this time in front of you, Chairman Headland, and the Committee. It is very appreciated. Please vote Do Pass on HB 1570.

May I answer any questions at this time?

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<sup>i</sup> <https://www.hhs.nd.gov/health/community/tobacco/surveillance-data>

<sup>ii</sup> HHS, The Health Consequences of Smoking: 50 Years of Progress. A Report of the Surgeon General, 2014, <http://www.surgeongeneral.gov/library/reports/50-years-of-progress/index.html>.