



## Neutral Testimony of HB 1012

Chelsea Ridge  
North Dakota Public Health Association  
Alcohol, Tobacco and Other Drugs Section, Chair  
Williston, ND

Chairman Dever and members of the Senate Appropriations Human Resources Division,

My name is Chelsea Ridge, and I am the chair of the North Dakota Public Health Association (NDPHA) Alcohol, Tobacco, and Other Drugs Section. Our vision is a North Dakota where every person can live their healthiest life. I am here to provide neutral testimony to House Bill 1012, relating to the Department of Health and Human Services Budget, in hopes of restoring line item, “Tobacco Prevention and control grants to local public health units” for \$6,250,000 to ensure the funding will be designated to local public health units who work directly with our communities affected by tobacco and vaping health challenges.

North Dakota’s public health system consists of 28 decentralized local public health units working in partnership with North Dakota Health and Human Services (DHHS). We collaborate closely with local governments and political subdivisions across our state to enhance and safeguard the health and safety of our citizens. In a combined effort to implement effective solutions for our local communities.

Since 1998, North Dakota has received substantial annual payments from tobacco companies. Between 2006-2015, the state received approximately \$305.4 million, with annual payments ranging from \$30.7 million to \$53.1 million.<sup>i</sup> In 2018, North Dakota received a payment of \$34 million.<sup>ii</sup> These funds have been allocated in various ways over the years. From 1999-2017, settlement payments were distributed 45% to the Community Health Trust Fund, 45% to the Common Schools Trust Fund and 10% to the Water Development Fund. Since 2018, 100% of Master Settlement Agreement funds coming into North Dakota are distributed into the Community Health Trust Fund. NDCC 54-27-25, the Tobacco settlement trust fund states, “Moneys in the fund may be appropriated for community-based public health programs and other public health programs, including programs with emphasis on prevention or reducing tobacco usage in this state.”<sup>iii</sup>

North Dakota’s payments from the Master Settlement Agreement will continue indefinitely if tobacco sales by the participating manufactures persist. These payments will never expire but are subject to adjustments based on factors like inflation, tobacco sales volume and legal disputes.

In September 2022, North Dakota participated in a \$438.5 million dollar settlement with JUUL Labs, in which North Dakota will receive approximately \$6 million dollars over 6-10years. JUUL was found guilty of deceptive marketing practices of addictive nicotine products to appeal to youth. In 2023, ND Legislature in HB 1004, 80% of the JUUL Settlement funds were transferred from the Attorney General’s Budget into the Community Health Trust.

North Dakota has made significant progress in reducing tobacco and nicotine use, particularly among youth and young adults. This success is largely due to dedicated funding from sources such as the Tobacco Settlement and JUUL Settlement, which have allowed for comprehensive prevention and cessation programs.

Restoring this critical funding will empower local public health units with the necessary resources to continue our vital work. With adequate support, communities can implement education initiatives, prevention strategies, and policies that reduce tobacco use, ultimately saving lives and fostering healthier communities. Investing in these efforts not only protects public health but also reduces long-term healthcare costs associated with tobacco-related illnesses. By continuing to support local programs, we can ensure that North Dakota remains a leader in tobacco prevention and sustains the progress we have worked so hard to achieve.

Now is the time to reaffirm our commitment to protecting our youth and strengthening public health. Restoring funding for tobacco prevention is an investment in our future—one that will pay dividends for generations to come. On behalf of the members of the North Dakota Public Health Association we kindly request the appropriation of funds of \$6,250,000 be distributed in a line-item grant to local public health units specifically for youth tobacco prevention and treatment.

Thank you for your time and consideration

Sincerely,

Chelsea Ridge  
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Alcohol, Tobacco and Other Drugs Section, Chair  
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<sup>i</sup> Campaign for Tobacco-Free Kids, Actual Annual Tobacco Settlement Payments Received by States, 1998-2024; <https://assets.tobaccofreekids.org/factsheets/0365.pdf> Accessed on March 13, 2025.

<sup>ii</sup> The Dickinson Press; “North Dakota to Receive \$34 million in tobacco settlement.” By Sydney Mook, March 13, 2028. <https://www.thedickinsonpress.com/news/north-dakota-to-receive-34-million-in-tobacco-settlement> Accessed on March 13, 2025.

<sup>iii</sup> North Dakota Century Code, Chapter 54-27 Fiscal Administration; 54-27-25-Tobacco settlement trust fund. <https://ndlegis.gov/cencode/t54c27.pdf> Accessed on March 13, 2025.