

**Testimony of Rosellen Sand
on Initiated Measure 3
Before the Legislative Council
September 24, 2008**

Good Morning Chairman Carlson and members of the Legislative Council. My name is Rosellen Sand. I am a sponsor of Measure 3 and am appearing today on my own behalf. I have reviewed the fiscal note prepared for Measure 3 and have two concerns with the numbers presented in it.

My first concern is that the negative fiscal impact of the measure is inflated because the cost of a CDC plan is indexed based upon the CPI but the strategic fund contributions are not. Section IX(c)(2) of the master settlement agreement provides that the strategic contribution fund payments must be adjusted for inflation as provided in exhibit C of the master settlement agreement. Exhibit C provides a minimum increase of 3% per year, even in years when inflation is less than 3%. To address this concern and compare apples to apples, the fiscal note should be amended so that the strategic contribution fund amounts are indexed as provided in the master settlement agreement.

My second concern is that there is no recognition of the positive fiscal impact a comprehensive CDC tobacco prevention and control program will have. In fact, comprehensive CDC programs have been effective and have resulted not only in saving lives but also in saving money. Kathy Mangskau, another member of the sponsoring committee, has information to share with you regarding the positive fiscal impact (savings) that will occur if North Dakota implements a comprehensive CDC tobacco prevention and control program.

Thank you for your time. Ms. Mangskau and I will be available to answer any questions you have after she explains the positive fiscal impact of implementing a comprehensive CDC program.