



2021 HB 1422

House Finance and Taxation Committee

Representative Craig Headland, Chairman

February 9, 2021

Chairman Headland and members of the House Finance and Taxation Committee, I am Tim Blasl, President of the North Dakota Hospital Association (NDHA). I am here to testify in support of House Bill 1422. I ask that you give this bill a **Do Pass** recommendation.

Hospitals support this bill because raising tobacco taxes is one of the most effective ways to reduce tobacco use and prevent kids from beginning a deadly addiction. Tobacco use remains a leading risk factor for conditions that lead to heart disease, cancer, lung disease, kidney disease and many other health complications. National and state polls consistently have found overwhelming public support for tobacco tax increases. Polls also show that, when it comes to balancing budgets, voters prefer raising tobacco taxes to other tax increases.

This bill will increase the tax on cigars, pipe tobacco, other tobacco including snuff and chew, and cigarettes. Such a tobacco tax increase will encourage tobacco users to quit, discourage people from starting, reduce healthcare costs. The cigarette tax increase alone is estimated to generate \$27.5 million in additional revenue per year. Some of the additional revenue would be set aside in the community health trust fund which can be used by the state for public health programs.

We have the third lowest cigarette tax in the country at 44 cents per pack. The national average is \$1.88 per pack. North Dakota hasn't increased the tax on cigarettes for almost thirty years. Our neighboring states' taxes are all considerably higher. Montana's tax is \$1.70, South Dakota's tax is \$1.53, and Minnesota's tax is \$3.04 per pack.

Our hospitals strongly support this effort to increase the tax on cigarettes to keep kids from starting to smoke, help adults to quit, and provide funding for much-needed health programs. I urge you to support the bill too. Let's ensure that 2021 is the year that public health is priority over tobacco product manufacturers so that another generation is spared the deadly addiction to tobacco products.

Please give the bill a Do Pass recommendation. I would be happy to respond to any questions you may have. Thank you.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association