

Testimony for HB 1570

House Finance and Taxation Committee

Greg Gallagher

February 12, 2025

Mr. Chairman and members of the House Finance and Taxation Committee,

I am Greg Gallagher, a Mandan resident, a member of the Mandan Health Coalition, and Vice-Chair of the Statewide Advocacy and Engagement Committee of the American Health Association in North Dakota. I provide this testimony as a private citizen and not as a lobbyist or representative for any other party. I testify in support of HB 1570 based on my understanding of this matter gained through my involvement with these and other organizations.

Raising the tax on tobacco and alternative tobacco products is long since overdue. Not since 1993 has the state raised its base taxation rate, despite the overall inflation rate increases incurred since that time. The increase in the tax level proposed within HB 1570 is a modest tax increase, to say the least. This Committee and the Legislature should move to enact this increase now, without hesitation.

The state has an evident interest in taxing tobacco and alternative tobacco products, especially as it affects our youth and young adult populations. The adverse health effects of tobacco use are well known, and the ingredients in the ever-increasing types of addictive alternative tobacco products evidence an equally concerning trend to adversely impact the health of individuals drawn to these products. This should be a concern to all of us, especially policymakers who need to be attentive to the long-term implications on how these products affect our health, behavioral health, and community resources.

The companies that make and market these products do so to make a profit. Let us be clear about that. They are permitted to do so, but in so doing their products should be taxed sufficiently to help partially offset the impacts to our health systems, which are significant and a legitimate concern of North Dakota residents and taxpayers.

HB 1570 advances a long-overdue remedy to right the balance sheet of taxation versus products that adversely impact the health of North Dakota residents. I ask that you pass HB 1570 to right what has been ignored for far too long a time.

Thank you.