



2025 SB 2281

House Finance and Taxation Committee

Representative Craig Headland, Chairman

March 11, 2025

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 Senate Bill 2281. I ask that you give this bill a **Do Pass** recommendation.

Hospitals support the bill because raising tobacco taxes is one of the most effective ways to reduce tobacco use. Tobacco use remains a leading risk factor for conditions that lead to heart disease, cancer, lung disease and other health complications.

This bill will increase the tax on cigarettes, cigars, other tobacco products, alternative tobacco products, electronic smoking devices and electronic smoking device substances. Such a tax increase will encourage users to quit and discourage people from starting.

Based on the fiscal note, the additional tax on the products above would generate at least \$25.8 million in additional revenue for the biennium. North Dakota ranks third lowest in the country for a cigarette tax of \$.44 per pack. Our surrounding states are higher, Montana's tax is \$1.70, South Dakota's tax is \$1.53, and Minnesota's tax is \$3.04 per pack. The national average is \$1.97.

Hospitals support this bill because we believe it would discourage individuals from using tobacco and alternative tobacco products which leads to a reduction in healthcare costs.

In summary, we support the bill and hope that you will give it a **Do Pass** recommendation.

Respectfully Submitted,

Tim Blasl, President
North Dakota Hospital Association