



Testimony- SB 2281

March 11, 2025 – House Finance and Tax Committee

Chairman Headland & Members of the House Finance and Tax Committee:

For the record, I'm Mike Rud, President of the North Dakota Petroleum Marketers Association. On behalf of NDPMA and well over 600 retail store fronts, I stand before you urging a **"DO NOT PASS" recommendation on SB 2281.**

NDPMA members view these taxes as egregious, to say the least. Plain and simple these are **SIN TAXES**. Taxes preying on some of the most economically disadvantaged consumers in ND. Let's not forget, these are adults over the age of 21 purchasing legal products.

Section 7 line 19 of the bill talks about establishing the Tobacco Tax Distribution Fund. Why would the state need another bucket of tobacco control and prevention money? I think the state currently does a pretty solid job of funding local and district public health units across the state.

Mr. Chairman and Committee members, earlier in the session, we talked about the **\$717M** ND has received to date through the MSA. The numbers don't lie: Plenty of funds currently exist for tobacco and prevention control. Plenty of dollars also exist for treatment of mental health issues such as depression, anxiety and continued funding of the 988 suicide crisis hotline via the Community Health Trust Fund.

The biggest items in 2021-2023 were:¹

- **\$5.1 million for tobacco prevention programs**
- **\$5.1 million for tobacco Quitline**

In the 2023-2025 biennium, the biggest expenses are:²

- **\$6.3 million for tobacco prevention programs**
- **\$5 million for tobacco Quitline**
- **\$1.8 million for the 988 crisis hotline**

The following information is part of the Department of Health and Human Services 2025-2027 proposed budget (HB 1012)

SECTION 12. OTHER FUNDS - COMMUNITY HEALTH TRUST FUND. The other funds line items in section 1 of this Act includes the sum of \$38,713,522 from the community health trust fund for the following purposes:

Tobacco and vaping programs	\$11,599,698	\$300,000 bump = 2.5% increase
988 crisis hotline	\$1,867,500	\$ 70,000 bump = 3.7% increase
Animal shelter grant	\$300,000	

The settlement payment appropriation means that the Community Health Trust Fund is one of the best funded state trust funds in North Dakota. It runs into perpetuity.

Bottom line, taxing tobacco and alternative tobacco isn't getting to the heart of the problem. People under the age of 21 aren't purchasing these products at a North Dakota retail outlet. This issue boils down to parental responsibility and personal responsibility. NDPMA doesn't see the value in legislating the personal behavior of the adult community using these legal products in a responsible manner. You are potentially punishing the wrong group.

NDPMA urges a **"DO NOT PASS"** recommendation on SB 2281.