

**Dear North Dakota Senate Finance and Taxation Committee Members,**

I am writing to express my opposition to Bill SB 2281, which seeks to impose additional taxes on cigars, other tobacco products, alternative tobacco products, and electronic smoking devices in North Dakota. As a lifelong resident of this state, I believe this bill will have negative consequences for both residents and the state economy.

This bill could result in North Dakotans, including myself, purchasing tobacco products from neighboring states where prices may be lower. This would reduce the state's tax revenue in the long term. Specifically, many Minnesota residents already cross the border to purchase tobacco products in North Dakota due to the relatively lower cost. By raising prices significantly, the state risks losing this consumer base, ultimately resulting in fewer sales and less tax revenue generated.

Additionally, this tax increase may drive people to seek out illicit alternatives, creating a black market for tobacco products. Individuals could turn to online purchases to avoid the tax, and there's a risk that these products could end up in the hands of minors, exacerbating the already serious issue of underage tobacco use. This would not only undermine the intended goal of regulation but also introduce new challenges for law enforcement and public health.

Another unfortunate consequence of this proposed tax increase is that it could drive more residents to purchase tobacco products from Native American reservations, where tobacco is often sold without state taxes. This would further reduce the state's tax revenue and may even push local businesses to lose out on potential sales.

North Dakota currently ranks as one of the top states in terms of the amount of money allocated to citizens from the State Health Department, with an average of \$251 per person. It's important to consider how policies like SB 2281 could undermine this by pushing residents and visitors to seek alternatives outside our state, thereby decreasing the revenue that funds valuable services.

For these reasons, I urge you to reconsider moving forward with SB 2281. It may have unintended consequences that harm both the economy and the residents who depend on these services.

Thank you for your time and consideration.