



2025 HB 1570
House Finance and Taxation Committee
Representative Craig Headland, Chairman
February 12, 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 House Bill 1570. 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 modifies the tax imposed on certain cigarette and tobacco sales, imposes additional tax on certain cigarette and tobacco sales, and establishes a tobacco tax distribution behavioral health fund which would be used for providing depression and anxiety behavioral health services by the regional human service centers. The bill increases the tax rate on each can or package of stuff from 60 cents per ounce to \$1.96 per ounce and increases the tax rate on chewing tobacco from 16 cents per ounce to 52 cents per ounce. The bill also imposes a separate and additional tax on cigarettes of 54.5 mills on each cigarette and on electronic smoking devices at 56 percent of the wholesale purchase price at which electronic smoking devices are purchased by distributors. It would also impose a tax on alternative tobacco products at 56 percent of the wholesale purchase price at which alternative tobacco products are purchased by distributors. Some of the additional tax revenue generated would be allocated to the tobacco tax distribution behavioral health fund and the remaining amount would be allocated to the state general fund.

We believe tax increases encourage users to quit and discourage people from starting to use tobacco products. We strongly support HB 1570 as it would improve public health outcomes by acting as a deterrent to the use of tobacco products. We also strongly support

using some of the additional revenue these taxes would generate to fund behavioral health services in North Dakota.

In summary, we support the bill and hope that you will give it 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