

**Tobacco Prevention and Control Executive Committee
Budget No. 305
Senate Bill No. 2024**

	FTE Positions	General Fund	Other Funds	Total
2017-19 legislative appropriations	0.00	\$0	\$0	\$0
2017-19 base budget	8.00	0	16,548,039	16,548,039
Legislative increase (decrease) to base budget	(8.00)	\$0	(\$16,548,039)	(\$16,548,039)

SUMMARY OF LEGISLATIVE CHANGES TO THE BASE BUDGET AND MAJOR FUNDING ITEMS

Salaries and Wages

The Legislative Assembly did not include funding for employee salary increases.

Changes to Base Budget

	FTE Positions	General Fund	Other Funds	Total
The legislative action:				
Removed funding for comprehensive tobacco control, including 8 FTE positions and related salaries and wages.	(8.00)		(\$16,548,039)	(\$16,548,039)
Total	(8.00)	\$0	(\$16,548,039)	(\$16,548,039)

FTE Changes

The Legislative Assembly did not provide funding for the Tobacco Prevention and Control Executive Committee and removed all 8 FTE positions for the 2017-19 biennium.

Tobacco Prevention and Control Program Repealed

North Dakota voters approved initiated measure No. 3 in the November 2008 general election. The measure added seven new sections to the North Dakota Century Code and amended Section 54-27-25 to establish the Tobacco Prevention and Control Advisory Committee and an executive committee, developed and funded a comprehensive statewide tobacco prevention and control plan, and created a tobacco prevention and control trust fund to receive tobacco settlement dollars to be administered by the executive committee. The measure provided for the advisory committee, appointed by the Governor, to develop the initial comprehensive plan and select an executive committee responsible for the implementation and administration of the comprehensive plan. The initiated measure became effective 30 days after the election (December 4, 2008). The measure provided for a portion of tobacco settlement dollars received by the state to be deposited in the tobacco prevention and control trust fund rather than the entire amount in the tobacco settlement trust fund. Tobacco settlement money received under subsection IX(c)(1) of the Master Settlement Agreement is deposited in the tobacco settlement trust fund and allocated 10 percent to the community health trust fund (with 80 percent used for tobacco prevention and control), 45 percent to the common schools trust fund, and 45 percent to the water development trust fund. Tobacco settlement money received under subsection IX(c)(2) of the Master Settlement Agreement is deposited into the tobacco prevention and control trust fund. Interest earned on the balance in this fund is deposited in the fund and the fund is administered by the executive committee created by the measure for the purpose of creating and implementing the comprehensive plan.

In 2017 Governors Dalrymple and Burgum recommended, and the Legislative Assembly approved, the repeal of Chapter 23-42 related to the tobacco prevention and control program and the transfer of Tobacco Prevention and Control Executive Committee responsibilities to the State Department of Health. The Legislative Assembly amended Section 54-27-25(2) to remove restrictions relating to the administration of the tobacco prevention and control trust fund and provided for money received into the fund to be used as appropriated by the Legislative Assembly. In addition, the Legislative Assembly in Section 15 of House Bill No. 1015 requires the Office of Management and Budget to administer the tobacco prevention and control trust fund in accordance with legislative authorizations or appropriations during the 2017-19 biennium. In Senate Bill No. 2004 and House Bill No. 1012, the Legislative Assembly amended Section 54-27-25(1) relating to the tobacco settlement trust fund to remove the requirement that 80 percent of the transfers from the tobacco settlement trust fund to the community health trust

fund must be used for tobacco prevention and control and to suspend transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium. Transfers from the tobacco settlement trust fund to the community health trust fund are increased from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund during the 2017-19 biennium.

Comprehensive Tobacco Prevention and Control

The Legislative Assembly transferred the responsibility for the statewide tobacco prevention and control plan to the State Department of Health and provided as of July 1, 2017, all business-related records belonging to the Comprehensive Tobacco Control Advisory Committee must be transferred to the State Department of Health. The Comprehensive Tobacco Control Advisory Committee must allow the State Department of Health to have access to the business-related records of the committee before July 1, 2017, as necessary, for the purpose of transitioning operations to the State Department of Health. By July 31, 2017, the State Department of Health must develop a statewide tobacco prevention and control plan that is consistent with the five components of the Centers for Disease Control and Prevention Best Practices for Comprehensive Tobacco Control Programs. At least once during the 2017-19 biennium, the State Department of Health must provide for an independent review of the tobacco prevention and control plan to evaluate the effectiveness of the plan and its implementation. The department must report the results of the independent review to the Legislative Management.

In Senate Bill No. 2004, the Legislative Assembly added 1 FTE position for tobacco prevention and control and increased funding to provide a total tobacco prevention appropriation of \$13,646,704, of which \$3,200,000 is from the community health trust fund, \$8,453,333 is from the tobacco prevention and control trust fund, and \$1,999,371 is from federal funds. Funding from the community health trust fund provides for community health tobacco programs, the Tobacco Quitline, and a tobacco prevention coordinator. Funding provided from the tobacco prevention and control trust fund includes \$6,500,000 for grants to local public health units for tobacco prevention and control programs and \$500,000 for cessation.

Other Sections in Senate Bill No. 2024

Required signage - Section 1 amends Section 23-12-10.4(2) to provide the owner, operator, manager, or other person in control of a public place or place of employment where smoking is prohibited by Chapter 23-12 may request signage that meets the requirements of the section from the State Department of Health rather than the Tobacco Prevention and Control Advisory Committee.

Tobacco prevention and control trust fund - Section 2 amends Section 54-27-25(2) to remove restrictions relating to the administration of the tobacco prevention and control trust fund and provides money received into the fund is to be used as appropriated by the Legislative Assembly.

Desktop support services - Section 3 amends Section 54-59-22.1(1) to remove the Tobacco Prevention and Control Executive Committee from the list of agencies required to obtain centralized desktop support services from the Information Technology Department.

Tobacco prevention and control program - Section 4 repeals Chapter 23-42 relating to the tobacco prevention and control program to eliminate the Tobacco Prevention and Control Executive Committee.

Effective date - Section 5 provides the bill becomes effective July 1, 2017.

Emergency - Section 6 declares the bill is an emergency measure.

Related Legislation

Tobacco settlement trust fund - Section 39 of House Bill No. 1012 amends Section 54-27-25(1) relating to the tobacco settlement trust fund to suspend transfers from the tobacco settlement trust fund to the common schools trust fund during the 2017-19 biennium. Transfers from the tobacco settlement trust fund to the community health trust fund are increased from 10 to 55 percent of the tobacco settlement revenues deposited in the tobacco settlement trust fund during the 2017-19 biennium.

Tobacco prevention and control trust fund - Section 15 of House Bill No. 1015 requires the Office of Management and Budget to administer the tobacco prevention and control trust fund in accordance with legislative authorizations or appropriations during the 2017-19 biennium.

Tobacco prevention and control program - Senate Bill No. 2004, the appropriation bill for the State Department of Health, includes funding for the statewide tobacco prevention and control plan. Section 13 of the bill amends Section 54-27-25(1) to remove the requirement that 80 percent of the transfers from the tobacco settlement trust fund to the community health trust fund must be used for tobacco prevention and control. Section 15 of the bill requires, as of July 1, 2017, all business-related records belonging to the Comprehensive Tobacco Control Advisory Committee be transferred to the State Department of Health and that the State Department of Health must be allowed access to the business-related records of the Comprehensive Tobacco Control Advisory Committee prior to July 1, 2017, for the purposes of transitioning the operations to the State Department of Health. Section 16 of the bill requires that by July 31, 2017, the State Department of Health must develop a statewide tobacco prevention and control plan that is consistent with the five components of the Centers for Disease Control and Prevention Best Practices for Comprehensive Tobacco Control Programs, and that at least once during the 2017-19 biennium, the State Department of Health provide for an independent review of the tobacco prevention and control plan to evaluate the effectiveness of the plan and its implementation. The department must report the results of the review to the Legislative Management.