

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2019

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HOUSE BILL 725

Short Title: Strengthen Youth Tobacco Prevention/Funds. (Public)

Sponsors: Representatives Adcock, Lambeth, Martin, and White (Primary Sponsors).
For a complete list of sponsors, refer to the North Carolina General Assembly web site.

Referred to: Appropriations, Health and Human Services, if favorable, Rules, Calendar, and Operations of the House

April 15, 2019

A BILL TO BE ENTITLED

AN ACT ESTABLISHING A TOBACCO USE PREVENTION FUND IN THE DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF PUBLIC HEALTH, CHRONIC DISEASE AND INJURY SECTION, THAT IS DEDICATED TO PREVENTING YOUTH E-CIGARETTE NICOTINE DEPENDENCE (“THE END ACT”).

Whereas, the United States Surgeon General has deemed electronic cigarette use by youth an epidemic; and

Whereas, the Centers for Disease Control and Prevention released the 2018 National Youth Tobacco Survey results which reported that electronic cigarette use increased seventy-eight percent (78%) among high school students and forty-eight and one-half percent (48.5%) among middle school students since 2017; and

Whereas, in North Carolina, use of electronic cigarettes among high school students has risen eight hundred ninety-four percent (894%) between 2011 and 2017, and twenty-eight and eight tenths percent (28.8%) of youth use tobacco products; and

Whereas, electronic cigarettes are tobacco products under North Carolina law, and youth are becoming addicted to electronic cigarettes at an alarming rate and finding it difficult to quit; and

Whereas, the United States Surgeon General has reported that use of products containing nicotine in any form among young people is unsafe, that secondhand electronic cigarette aerosol exhaled into the air by users is not harmless, and that states must take action in order to prevent harm rather than waiting for harm to occur; and

Whereas, evidence shows that funding to create State and community interventions that encourage individuals to avoid tobacco use and help perpetuate social norms that discourage tobacco use are among the most effective ways to prevent tobacco use and tobacco-related chronic disease and death among youth; and

Whereas, North Carolina receives approximately one hundred forty million dollars (\$140,000,000) every year from the Tobacco Master Settlement Agreement, which was intended to be used for tobacco use prevention programs, and by spending a fraction of this amount on prevention, North Carolina can achieve savings on future medical costs caused by tobacco-related illnesses as well as prevent thousands of youth from becoming daily tobacco users; and

Whereas, an investment of seventeen million dollars (\$17,000,000) a year in tobacco use prevention programs is required to prevent youth electronic cigarette nicotine dependence and curb the youth electronic cigarette epidemic in North Carolina; Now, therefore,



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1 The General Assembly of North Carolina enacts:

2 **SECTION 1.** Article 39 of Chapter 14 of the General Statutes is amended by adding
3 a new section to read:

4 **"§ 14-313.5. Tobacco Use Prevention Fund.**

5 (a) Definitions. – The following definitions apply in this section:

6 (1) Department. – The Department of Health and Human Services.

7 (2) Fund. – The Tobacco Use Prevention Fund established under subsection (b)
8 of this section.

9 (b) Establishment and Purpose. – The Tobacco Use Prevention Fund is established as an
10 interest-bearing special fund in the Department of Health and Human Services, Division of Public
11 Health, Chronic Disease and Injury Section. The purpose of the Fund is to prevent the use of new
12 and emerging tobacco products, including electronic cigarettes, especially among youth and
13 people of childbearing age. The Fund shall consist of the amounts appropriated to the Fund from
14 the Settlement Reserve Fund pursuant to G.S. 143C-9-3(a1). Any balance remaining in the Fund
15 at the end of any fiscal year is carried forward in the Fund for the next succeeding fiscal year for
16 the purposes set forth in this section.

17 (c) Use of Moneys. – The Department is prohibited from expending moneys in the Fund
18 for any purposes other than the administrative purposes authorized by subsection (d) of this
19 section and the following:

20 (1) To create regional tobacco use prevention programs with statewide coverage
21 to engage young people in tobacco use prevention teams in counties and
22 school districts across the region, provide education and training of youth
23 leaders at the local level, and reach young people with effective tobacco use
24 prevention and cessation, with an emphasis on preventing and reducing the
25 use of new and emerging tobacco products, including electronic cigarettes.

26 (2) To provide technical assistance and oversight of the regional tobacco use
27 prevention programs.

28 (3) For evidence-based education campaigns on the health risks of tobacco use,
29 new and emerging tobacco products, including electronic cigarettes, and
30 effective tobacco use prevention and control strategies and policies through
31 channels known to effectively reach youth, parents, and communities across
32 the State.

33 (4) For education and enforcement of G.S. 14-313 and other State tobacco laws,
34 including with respect to new and emerging tobacco products.

35 (5) To track youth tobacco use and exposure, including new and emerging
36 tobacco products.

37 (6) To conduct an independent evaluation of the reach and effectiveness of the
38 State's tobacco use prevention programs.

39 (7) To provide financial assistance, based on selection criteria established by the
40 Department, to any local health department or other nonprofit organization
41 with an interest in preventing tobacco use that does not receive funding from
42 the tobacco industry upon a demonstrated commitment by the grant recipient
43 to both of the following:

44 a. To use the moneys for a purpose authorized in subdivisions (1) through
45 (6) of this subsection.

46 b. To comply with guidelines developed by the Department of Health and
47 Human Services on evidence-based tobacco use prevention and
48 control strategies.

49 (d) Fund Administration. – The Department shall exercise administrative control over the
50 Fund and may use up to ten percent (10%) of the amount appropriated to the Fund each fiscal

1 year from the Settlement Reserve Fund for administrative purposes. The Department shall
2 develop guidelines for administering the Fund that are consistent with this section.

3 (e) Annual Report. – Annually on March 1, the Department of Health and Human
4 Services shall report to the Joint Legislative Oversight Committee on Health and Human Services
5 and the Fiscal Research Division on the expenditures made from the Fund during the preceding
6 fiscal year. The report shall identify each expenditure by recipient and purpose and shall indicate
7 the authority under this section for the expenditure."

8 **SECTION 2.** G.S. 143C-9-3(a1) reads as rewritten:

9 "(a1) Each year, the following amounts are appropriated from the Settlement Reserve Fund:
10 (i) the sum of seventeen million five hundred thousand dollars (\$17,500,000) ~~from the Settlement~~
11 ~~Reserve Fund is appropriated to The Golden L.E.A.F. (Long-Term Economic Advancement~~
12 ~~Foundation), Inc., a nonprofit corporation, and these corporation and (ii) the sum of seventeen~~
13 ~~million dollars (\$17,000,000) to the Tobacco Use Prevention Fund established under~~
14 ~~G.S. 14-313.5. The funds shall appropriated to The Golden L.E.A.F. are not be subject to~~
15 ~~G.S. 143C-6-23. The remainder of the funds credited to the Settlement Reserve Fund each fiscal~~
16 ~~year shall be transferred to the General Fund and included in General Fund availability as nontax~~
17 ~~revenue."~~

18 **SECTION 3.** This act becomes effective July 1, 2019.