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HOUSE BILL DRH10204-MGa-58

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

Sponsors: Representatives Adcock, Lambeth, Martin, and White (Primary Sponsors).

Referred to:

1 A BILL TO BE ENTITLED
2 AN ACT ESTABLISHING A TOBACCO USE PREVENTION FUND IN THE
3 DEPARTMENT OF HEALTH AND HUMAN SERVICES, DIVISION OF PUBLIC
4 HEALTH, CHRONIC DISEASE AND INJURY SECTION, THAT IS DEDICATED TO
5 PREVENTING YOUTH E-CIGARETTE NICOTINE DEPENDENCE (“THE END ACT”).
6 Whereas, the United States Surgeon General has deemed electronic cigarette use by
7 youth an epidemic; and
8 Whereas, the Centers for Disease Control and Prevention released the 2018 National
9 Youth Tobacco Survey results which reported that electronic cigarette use increased
10 seventy-eight percent (78%) among high school students and forty-eight and one-half percent
11 (48.5%) among middle school students since 2017; and
12 Whereas, in North Carolina, use of electronic cigarettes among high school students
13 has risen eight hundred ninety-four percent (894%) between 2011 and 2017, and twenty-eight
14 and eight tenths percent (28.8%) of youth use tobacco products; and
15 Whereas, electronic cigarettes are tobacco products under North Carolina law, and
16 youth are becoming addicted to electronic cigarettes at an alarming rate and finding it difficult to
17 quit; and
18 Whereas, the United States Surgeon General has reported that use of products
19 containing nicotine in any form among young people is unsafe, that secondhand electronic
20 cigarette aerosol exhaled into the air by users is not harmless, and that states must take action in
21 order to prevent harm rather than waiting for harm to occur; and
22 Whereas, evidence shows that funding to create State and community interventions
23 that encourage individuals to avoid tobacco use and help perpetuate social norms that discourage
24 tobacco use are among the most effective ways to prevent tobacco use and tobacco-related
25 chronic disease and death among youth; and
26 Whereas, North Carolina receives approximately one hundred forty million dollars
27 (\$140,000,000) every year from the Tobacco Master Settlement Agreement, which was intended
28 to be used for tobacco use prevention programs, and by spending a fraction of this amount on
29 prevention, North Carolina can achieve savings on future medical costs caused by
30 tobacco-related illnesses as well as prevent thousands of youth from becoming daily tobacco
31 users; and
32 Whereas, an investment of seventeen million dollars (\$17,000,000) a year in tobacco
33 use prevention programs is required to prevent youth electronic cigarette nicotine dependence
34 and curb the youth electronic cigarette epidemic in North Carolina; Now, therefore,
35 The General Assembly of North Carolina enacts:



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

3 **"§ 14-313.5. Tobacco Use Prevention Fund.**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

48 (d) Fund Administration. – The Department shall exercise administrative control over the
49 Fund and may use up to ten percent (10%) of the amount appropriated to the Fund each fiscal
50 year from the Settlement Reserve Fund for administrative purposes. The Department shall
51 develop guidelines for administering the Fund that are consistent with this section.

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

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

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

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