

TITLE 3: HUMAN RESOURCES
DIVISION 2: HEALTH

§ 2177. Tobacco Control Fund.

There shall be established a separate fund to be known as the Tobacco Control Fund. There shall be credited to said fund 30% of the increase in the cigarette tax authorized under 4 CMC § 1402(a)(16), together with any penalties, forfeitures, interest, costs of suits and fines collected in connection therewith, less all amounts refunded or abated in connection therewith, all as determined by the Secretary of Finance based on professionally-prepared, written analyses; any appropriation, grant, gift, or other contribution explicitly made to said fund; and any income derived from the investment of amounts credited to said fund. Amounts credited to said fund shall be expended, subject to appropriation by the Legislature to supplement other funding for the following purposes:

(a) for Department of Public Health activities relating to the monitoring of morbidity and mortality from cancer and other tobacco-related illnesses in the CNMI;

(b) for the support of prenatal and maternal care, provided, however, that such prenatal and maternal care programs incorporate smoking cessation assistance and guidance regarding the harmful effects of smoking on fetal development;

(c) for comprehensive school health education programs, to be administered jointly by the Department of Health and the Public School System relating to the hazards of tobacco use by CNMI youth; and

(d) for workplace-based and community smoking prevention and smoking cessation programs, for tobacco-related public service advertising and education programs, to be administered by the Department of Public Health;

In conjunction with the preparation of the Commonwealth's comprehensive annual financial report, the Secretary of the Department of Public Health shall prepare and issue an annual report detailing the revenues and expenditures of said fund in accordance with generally accepted accounting principals. The annual report shall also, at a minimum, report on the qualitative and quantitative progress on the above purposes of the fund.

Source: PL 13-38, § 3, modified.

Commission Comment: PL 13-38, which took effect December 13, 2002, contained the following findings and purpose and severability provisions:

Section 1. Findings and Purpose. Cigarette Smoking is the single most critical risk associated with the leading chronic diseases in the CNMI, namely, cancer, heart disease, and emphysema. Heart disease and cancer make up more than 60% of the off-island medical referral costs. More than \$2 million is spent each year treating diseases related to tobacco and alcohol use in the CNMI. Studies indicate that the pervasive use of tobacco among minors and young adults will likely decrease if the price of tobacco is increased. In response to concerns for the health of the youth and public as a whole, a number of states have increased the excise taxes on tobacco products. Furthermore the Healthy People 2010 Initiative, which

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the CNMI has adopted, has identified the objective to increase the national average of state and federal taxes on tobacco products to \$2.00 by year 2010. It is therefore in the best interest of the CNMI to increase taxes on alcohol and tobacco products. This increase in revenue would be reserved for funding tobacco control programs.

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Section 5. Severability. If any provisions of this Act or the application of any such provision to any person or circumstance should be held invalid by a court of competent jurisdiction, the remainder of this Act or the application of its provisions to persons or circumstances other than those to which it is held invalid shall not be affected thereby.