

# Policy Tip Sheet

POLICY ANALYSIS FROM  
THE HEARTLAND INSTITUTE

## Tobacco Harm Reduction 101: North Dakota

Since their introduction to the U.S. market in 2007, e-cigarettes and vaping devices—tobacco harm reduction products that are 95 percent safer than combustible cigarettes—have helped more than three million American adults quit smoking.

### 1. Economic Impact

According to the Vapor Technology Association, in 2018, the industry created 151 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in North Dakota, which generated \$7.7 million in wages alone.<sup>1</sup> Moreover, the industry has created hundreds of secondary jobs in the Roughrider State, bringing the total economic impact in 2018 to \$46,755,200. In the same year, North Dakota received more than \$1.7 million in state taxes attributable to the vaping industry. These figures do not include sales in convenience stores, which sell vapor products including disposables and prefilled cartridges. In 2016, sales of these products in North Dakota eclipsed \$475,000.<sup>2</sup>

### 2. State Health Department Data

As of January 24, 2020, the North Dakota Department of Health (NDDH) has reported 20 confirmed or probable cases of vaping-related lung illnesses.<sup>3</sup> NDDH provides an age breakdown, with 18 patients over the age of 18 and 13 of the patients are male. NDDH does not provide information on substances vaped. In an October, 2019, report, NDDH noted that most North Dakota cases involved the use of vapor products containing tetrahydrocannabinol (THC).<sup>4</sup> NDDH does not include this information in their updated reports. *The Heartland Institute gives NDDH a grade of C for information available on vaping-related lung illnesses.*

### 3. More Information Needed

The most recent report on youth e-cigarette use in North Dakota is from the 2019 Youth Risk Behavior Survey.<sup>5</sup> According to the survey, in 2019, 33.1 percent of North Dakota high school students had reported using a vapor product on at least one day, in the 30 days prior to the survey. Further, only 8.3 percent of high school students reported daily vapor product use. More data is needed to understand the effects of public health campaigns on youth e-cigarette use.

### 4. Youth Sales Miniscule

From January 1, 2018 to September 30, 2019, the U.S. Food and Drug Administration (FDA) administered 649 tobacco age compliance inspections in North Dakota, in which the agency used a minor in an attempt to purchase tobacco products.<sup>6</sup> Of those, 128, or 19 percent, resulted in a sale to a minor. Of the violations, 7 (5 percent of violations and 1 percent of all compliance checks) involved the sale of e-cigarettes or vaping devices. The number of violations involving sales of cigars and cigarettes were 16 and 102, respectively, during the same period.

### 5. Misspent Money

In 2019, North Dakota received an estimated \$53.6 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent \$5.8 million, or less than 10 percent, on funding tobacco control programs, including education and prevention.<sup>7</sup>

### Policy Solution

Electronic cigarettes and vaping devices have proven to be tremendous tobacco harm reduction tools, helping many smokers transition away from combustible cigarettes. Despite recent fearmongering, their use is significantly safer than traditional cigarettes, as noted by numerous public health groups including the Royal College of Physicians,<sup>8</sup> Public Health England,<sup>9</sup> and the American Cancer Society.<sup>10</sup> Rather than restricting their use, and undoubtedly reducing public health gains and millions of dollars in economic output, lawmakers should dedicate existing tobacco funds on programs that actually reduce youth usage.

### Key Points

- 1 North Dakota's vaping industry provided more than \$46 million in economic activity in 2018 while generating 151 direct vaping-related jobs. Sales of disposables and prefilled cartridges in North Dakota exceeded \$475,000 in 2016.
- 2 As of January 24, 2020, NDDH has reported 20 confirmed or probable vaping-related lung illnesses. Earlier reports from NDDH note most patients used a vapor product containing THC. NDDH earns a C for its transparency on vaping-related lung illnesses.
- 3 In 2019, only 8.3 percent of North Dakota high school students reported daily e-cigarette use. More data is needed.
- 4 Only 1 percent of FDA retail compliance checks in North Dakota resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.
- 5 North Dakota spends very little on tobacco prevention. In 2019, North Dakota dedicated only \$5.8 million to tobacco control programs including education and prevention, or 10 percent of what the state received in tobacco settlement payments and taxes.

# Notes

## **Tobacco Harm Reduction 101: North Dakota**

### **References**

- <sup>1</sup> Vapor Technology Association, “The Economic Impact of the Vapor Industry NORTH DAKOTA,” 2019, <https://vta.guerrillaeconomics.net/reports/578b827c-2255-4bc4-8985-9624030c6ebe?>.
- <sup>2</sup> Teresa W. Wang et al., “National and State-Specific Unit Sales and Prices for Electronic Cigarettes, United States, 2012-2016,” *Preventing Chronic Disease*, Centers for Disease Control and Prevention, August 2, 2018, [https://www.cdc.gov/pcd/issues/2018/17\\_0555.htm](https://www.cdc.gov/pcd/issues/2018/17_0555.htm).
- <sup>3</sup> North Dakota Department of Health, “Vaping-Related Illness Cases, North Dakota, 2019-2020,” January 24, 2020, <https://www.health.nd.gov/vaping>. Accessed January 26, 2020.
- <sup>4</sup> North Dakota Department of Health, “Possible cluster of vaping-related illness reported in North Dakota,” October 15, 2019, <https://www.health.nd.gov/media/2357/2019-10-15-possible-cluster-of-vaping-related-illness-reported-in-north-dakota.pdf>.
- <sup>5</sup> North Dakota Department of Health, “2019 Youth Risk Behavior Survey Results North Dakota High School Survey,” 2019, <https://www.health.nd.gov/sites/www/files/documents/Files/OSE/YRBS/2019ND-High-School-YRBS-Summary-Tables.pdf>.
- <sup>6</sup> U.S. Food and Drug Administration, “Compliance Check Inspections of Tobacco Product Retailers,” September 30, 2019, [https://www.accessdata.fda.gov/scripts/oc/inspections/oc\\_insp\\_searching.cfm](https://www.accessdata.fda.gov/scripts/oc/inspections/oc_insp_searching.cfm).
- <sup>7</sup> Truth Initiative, “Tobacco use in North Dakota,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-north-dakota-2019>.
- <sup>8</sup> Royal College of Physicians, Nicotine without Smoke: Tobacco Harm Reduction, April 2016, <https://www.rcplondon.ac.uk/projects/outputs/nicotinewithout-smoke-tobacco-harm-reduction-0>.
- <sup>9</sup> A. McNeill et al., “Evidence review of e-cigarettes and heated tobacco products 2018,” Public Health England, February 2018, [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/684963/Evidence\\_review\\_of\\_e-cigarettes\\_and\\_heated\\_tobacco\\_products\\_2018.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684963/Evidence_review_of_e-cigarettes_and_heated_tobacco_products_2018.pdf).
- <sup>10</sup> The American Cancer Society, “What Do We Know About E-Cigarettes?” June 19, 2019, <https://web.archive.org/web/20190806152535/https://www.cancer.org/cancer/cancer-causes/tobacco-and-cancer/e-cigarettes.html>.

### **For More Information, please refer to:**

#### **Tobacco Harm Reduction 101: A Guidebook for Policymakers**

<https://www.heartland.org/publications-resources/publications/latest-heartland-policy-booklet-addresses-vaping-myths>

This booklet from The Heartland Institute aims to inform key stakeholders on the much-needed information on the benefits of electronic cigarettes and vaping devices. *Tobacco Harm Reduction 101* details the history of e-cigarettes, including regulatory actions on these products. The booklet also explains the role of nicotine, addresses tax policy and debunks many of the myths associated with e-cigarettes, including assertions about “popcorn lung,” formaldehyde, and the so-called youth vaping epidemic.

Nothing in this *Policy Tip Sheet* is intended to influence the passage of legislation, and it does not necessarily represent the views of The Heartland Institute. For further information on this and other topics, visit the [Budget & Tax News](#) website, [The Heartland Institute’s website](#), and [PolicyBot](#), Heartland’s free online research database.

The Heartland Institute can send an expert to your state to testify or brief your caucus; host an event in your state; or send you further information on a topic. Please don’t hesitate to contact us if we can be of assistance! If you have any questions or comments, contact Heartland’s government relations department, at [governmentrelations@heartland.org](mailto:governmentrelations@heartland.org) or 312/377-4000.