

GENERAL ASSEMBLY OF NORTH CAROLINA
SESSION 2025

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HOUSE BILL 561

Short Title: 2025 Youth End Nicotine Dependence Act. (Public)

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

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

March 31, 2025

A BILL TO BE ENTITLED
AN ACT ENACTING THE "YOUTH END NICOTINE DEPENDENCE ACT" TO
ESTABLISH A TOBACCO USE PREVENTION FUND WITHIN THE DEPARTMENT
OF HEALTH AND HUMAN SERVICES SUPPORTED BY ANNUAL
APPROPRIATIONS FROM THE TOBACCO MASTER SETTLEMENT AGREEMENT.

Whereas, in North Carolina, the use of electronic cigarettes among high school students rose one thousand one hundred twenty-nine percent (1,129%) between 2011 and 2019; and

Whereas, in North Carolina, twenty-seven and three-tenths percent (27.3%) of youth in high school and ten and four-tenths percent (10.4%) of youth in middle school used tobacco products in 2019; and

Whereas, electronic cigarettes are tobacco products under North Carolina law; and

Whereas, youth are becoming addicted to electronic cigarettes at an alarming rate and are 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, secondhand electronic cigarette aerosol that is exhaled into the air by users is not harmless, and states must take action 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 some of 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

Whereas, by spending a fraction of the Tobacco Master Settlement Agreement funds on prevention, North Carolina can save on future medical costs caused by tobacco-related illnesses and prevent thousands of youth from becoming daily tobacco users; and

Whereas, the General Assembly finds that an investment of seventeen million dollars (\$17,000,000) per year in tobacco use prevention programs is required to prevent youth electronic cigarette nicotine dependence in North Carolina; Now, therefore,
The General Assembly of North Carolina enacts:

SECTION 1. This act shall be known and may be cited as the "Youth End Nicotine Dependence Act."

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



"(a1) Each year, the following amounts are appropriated from the Settlement Reserve Fund: (i) the sum of twenty-five million dollars (\$25,000,000) from the Settlement Reserve Fund is appropriated to The Golden L.E.A.F. (Long-Term Economic Advancement Foundation), Inc., a nonprofit corporation, and these corporation and (ii) the sum of seventeen million dollars (\$17,000,000) to the Tobacco Use Prevention Fund established under G.S. 143C-9-3.1. The funds shall appropriated to The Golden L.E.A.F., Inc., are not be subject to G.S. 143C-6-23. The remainder of the funds credited to the Settlement Reserve Fund each fiscal year shall be transferred to the General Fund and included in General Fund availability as nontax revenue."

SECTION 3. Article 9 of Chapter 143C of the General Statutes is amended by adding a new section to read:

"§ 143C-9-3.1. Tobacco Use Prevention Fund.

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

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

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

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

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

(1) To fund local health departments through a regional infrastructure to provide community-based education and training of youth leaders, schools, and local agencies regarding Centers for Disease Control and Prevention evidence-based tobacco use prevention and cessation interventions, including interventions addressing e-cigarettes.

(2) To fund evidence-based media and education campaigns on the health risks of tobacco use, including e-cigarettes.

(3) To increase military readiness of members in active military service in North Carolina, including members of the North Carolina National Guard and military reserve components, through tobacco use prevention and cessation policy, systems, and environmental change.

(4) To provide grants to community colleges to support a healthy, tobacco-free campus.

(5) To track tobacco use and exposure, including exposure to e-cigarettes and emerging tobacco products, among young people and populations most at risk for tobacco use.

(6) To provide technical assistance and oversight of regional tobacco use prevention programs.

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

(d) Fund Administration. – The Department shall exercise administrative control over the Fund and may use up to ten percent (10%) of the amount appropriated to the Fund each fiscal year from the Settlement Reserve Fund for administrative purposes. The Department shall 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 4.** This act becomes effective July 1, 2025.