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**AUG 01 2017**

**S.D. SEC. OF STATE**

**MARTY J. JACKLEY**  
ATTORNEY GENERAL

**CHARLES D. McGUIGAN**  
CHIEF DEPUTY ATTORNEY GENERAL

HAND DELIVERED

August 1, 2017

Hon. Shantel Krebs  
Secretary of State  
500 E. Capitol  
Pierre, SD 57501

RE: **Attorney General's Statements for two initiated measures**  
(Increasing the State tobacco tax and creating a postsecondary technical institute fund)

Dear Secretary Krebs,

This Office received two versions of initiated measures that the sponsor will seek to place on the November 2018 general election ballot. Enclosed is a copy of each of the initiated measures, in final form, that was submitted to this Office. In accordance with SDCL 12-13-25.1, I hereby submit the Attorney General's Statement with respect to each measure. The titles are: "An initiated measure increasing the State tobacco tax and creating a postsecondary technical institute fund for the purposes of lowering student tuition and providing financial support to the State postsecondary technical institutes" (version #1); and "An initiated measure increasing the State tobacco tax and creating a postsecondary technical institute fund for the purposes of lowering student tuition and providing financial support to the State postsecondary technical institutes" (version #2).

By copy of this letter, I am providing copies of the Attorney General's Statements to the sponsor of the measures pursuant to SDCL 12-13-25.1.

Very truly yours,

Marty J. Jackley  
ATTORNEY GENERAL  
MJJ/PA/lde  
Enc.

cc w/enc.: G. Mark Mickelson, Speaker of the House  
Jason Hancock, Director of LRC

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Version 1

INITIATED MEASURE

ATTORNEY GENERAL'S STATEMENT

Title: An initiated measure increasing the State tobacco tax and creating a postsecondary technical institute fund for the purposes of lowering student tuition and providing financial support to the State postsecondary technical institutes.

Explanation:

This measure increases the State tax on tobacco products sold in the state. The tax on packs containing 20 cigarettes would increase 50¢ per pack, and 25-cigarette packs would increase 62¢ per pack. Tax on other types of tobacco products such as cigars, roll-your-own, and chewing tobacco would change from the current rate (35% of the wholesale price) and be increased to 45% of the wholesale price.

The measure also creates a postsecondary technical institute tuition reduction and workforce training fund that will be administered by the State Board of Technical Education, which oversees the State postsecondary technical institutes. Currently there are four: Lake Area Technical Institute, Mitchell Technical Institute, Southeast Technical Institute, and Western Dakota Technical Institute. The fund's purposes include lowering tuition and providing financial support for these technical institutes.

Under current law, the first \$30 million of tobacco tax revenue collected annually is deposited into the State general fund, and the next \$5 million is deposited into the existing tobacco prevention and reduction trust fund. This measure would require the next \$15 million to be deposited into the technical institute fund created by this measure.