

# INITIATED MEASURE PETITION

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S.D. SEC. OF STATE

## Attorney General's Explanation

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.

**Attorney General Explanation:** This measure increases the State tax on tobacco products sold in the state. The tax on packs containing 20 cigarettes would increase \$1.00 per pack, and 25-cigarette packs would increase \$1.25 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 55% 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 \$20 million to be deposited into the technical institute fund created by this measure.

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Filed this 4th day of

August 2017

*Shantel Krebs*

SECRETARY OF STATE

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