INITIATIVE PETITION

WE, THE UNDERSIGNED qualified voters of the state of South Dakota, petition that the following proposed law be submitted to the voters of the state of South Dakota at the general election on November 7, 2006, for their approval or rejection pursuant to the Constitution of the State of South Dakota.

RECEIVED
JUN 14 2005
S.D. SEC. OF STATE

The substance of the proposed law is as follows:

Be it enacted by the people of South Dakota.

An Initiative to increase the tax on cigarettes and tobacco products, to dedicate the revenue for tobacco prevention and cessation programs, property tax reduction, education enhancement, and health care, and to make an annual appropriation therefor.

Section 1. That § 10-50-3 be amended to read as follows:

10-50-3. A tax is imposed, whether or not a sale occurs, at the following rates on all cigarettes held in this state for sale by any person:

Class A, on cigarettes weighing not more than three pounds per thousand, ~~twenty-six~~ seventy-six and one-half mills on each cigarette.

Class B, on cigarettes weighing more than three pounds per thousand, ~~twenty-six~~ seventy-six and one-half mills on each cigarette.

Section 2. That § 10-50-61 be amended to read as follows:

10-50-61. In addition to the tax imposed by § 10-50-3, there is imposed, whether or not a sale occurs, a tax upon all tobacco products in this state and upon any person engaged in business as a licensed distributor or licensed wholesaler thereof, at the rate of ~~ten~~ thirty-five percent of the wholesale purchase price of such tobacco products. Such tax shall be imposed at the time the distributor or wholesaler brings or causes to be brought into this state tobacco products for sale; makes, manufactures, or fabricates tobacco products in this state for sale in this state; or ships or transports tobacco products to dealers in this state to be sold by those dealers. For the purposes of this chapter, wholesale purchase price is the price for which a manufacturer sells tobacco products to a licensed distributor or licensed wholesaler exclusive of any discount or other reduction.

Section 3. That § 10-50-52 be amended to read as follows:

10-50-52. ~~The money received by the secretary of revenue and regulation from the tax imposed by this chapter shall be credited by him to the state general fund.~~ The first thirty million dollars in revenue collected annually pursuant to this chapter shall be deposited in the general fund. All revenue in excess of thirty million dollars collected annually shall be deposited in the tobacco prevention and reduction trust fund. Five million dollars of the revenue deposited annually in the tobacco prevention and reduction trust fund pursuant to this section shall be used to implement the tobacco prevention and reduction program. Thirty-three percent of any revenue deposited in the tobacco prevention and reduction trust fund in excess of five million dollars shall be transferred to the property tax reduction fund. Thirty-three percent of any revenue deposited in the tobacco prevention and reduction trust fund in excess of five million dollars shall be transferred to the education enhancement trust fund. Thirty-four percent of any revenue deposited in the tobacco prevention and reduction trust fund in excess of five million dollars shall be transferred to the health care trust fund.

Section 4. There is hereby annually appropriated from the tobacco prevention and reduction fund the sum of one million seven hundred thousand dollars ($1,700,000), or so much thereof as may be necessary, to the Department of Health for the purpose of creating a grant program for community and school based initiatives.

There is hereby annually appropriated from the tobacco prevention and reduction fund the sum of two million one hundred seventy thousand dollars ($2,170,000), or so much thereof as may be necessary, to the Department of Health for the purpose of funding tobacco cessation and state-wide programs.

There is hereby annually appropriated from the tobacco prevention and reduction fund the sum of one million one hundred thirty thousand dollars ($1,130,000), or so much thereof as may be necessary, to the Department of Health for the purpose of funding public education; surveillance, data collection, and evaluation programs; and management and accountability programs related to tobacco use.

Section 5. The secretary of the Department of Health shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Initiative.

Section 6. The effective date of this Initiative shall be January 1, 2007.

Filed this 14th **day of** June, 05

Chris Nelson
SECRETARY OF STATE

INSTRUCTIONS TO SIGNERS:

1. Signers of this petition must individually sign their names in the form in which they are registered to vote or as they usually sign their names.

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Chris Nelson
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INSTRUCTIONS TO SIGNERS:

1. Signers of this petition must individually sign their names in the form in which they are registered to vote or as they usually sign their names.

2. Before the petition is filed, each signer or the circulator must add the residence address of the signer and the date of signing. If the signer is a resident of a second or third class municipality, a post office box may be used for the residence address.

3. Before the petition is filed, each signer or the circulator must print the name of the signer in the space provided and add the county of voter registration.

4. Abbreviations of common usage may be used. Ditto marks may not be used.

5. Failure to provide all information requested may invalidate the signature.

NAME	RESIDENCE	DATE/COUNTY
SIGN 1 Kevin Weiland PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER 5045 West Lofty Pines Road CITY OR TOWN Piedmont, SD 57769	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 2 David Withrow PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER 2401 Valley Road CITY OR TOWN Yankton, SD 57078	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 3 Larry E. Frost PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER 1703 S. Dakota Street CITY OR TOWN Aberdeen, SD 57401	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 4 Al Novstrup PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER 3629 Rolling Meadows Drive CITY OR TOWN Aberdeen, SD 57401	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 5 Ben Nesselhuf PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER 1016 Westend Drive CITY OR TOWN Vermillion, SD 57069	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 6 Stanford Adelstein PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER 1999 West Boulevard CITY OR TOWN Rapid City, SD 57701	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 7 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 8 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 9 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 10 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 11 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 12 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 13 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 14 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION
SIGN 15 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER CITY OR TOWN	DATE OF SIGNING COUNTY OF REGISTRATION

VERIFICATION BY PERSON CIRCULATING PETITION
INSTRUCTIONS TO CIRCULATOR: This section **must** be completed following circulation and before filing.

Print name of the circulator Residence Address City State

I, under oath, state that I circulated the above petition, that each signer personally signed this petition in my presence, and that either the signer or I added the printed name, the residence address of the signer, the date of signing, and the county of voter registration.

Signature of Circulator

Sworn to before me this _____ day of _____, _____.
(Seal)

Signature of Officer Administering Oath

My Commission Expires _____

Title of Officer Administering Oath

Form Revised 2000 - 5:02:08:07