

# 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 6, 2018 for their approval or rejection pursuant to the Constitution of the State of South Dakota.

Title: An initiated measure establishing a cap on the price a State agency may pay for a prescription drug.

## Attorney General Explanation:

This measure limits the amount that a State agency may pay for a prescription drug. Under the measure, a State agency may not directly or indirectly pay more for a prescription drug than the U.S. Department of Veterans Affairs pays for that same drug.

The measure requires the State Bureau of Administration to enact rules establishing prescription drug prices payable by State agencies.

The text of the proposed law is as follows:

For An Act Entitled, An Act to establish a prescription drug pricing law enabling a state Agency to pay the same or lower prices for prescription drugs as the prices paid by the United States Department of Veterans Affairs.

Section 1. Notwithstanding any other provision of law, a State Agency may not enter into any agreement with the manufacturer of any drug for the purchase of a prescribed drug or agree to pay, directly or indirectly, for a prescribed drug, unless the net cost of the drug, inclusive of cash discounts, free goods, volume discounts, rebates, and all other discounts or credits, as determined by the purchasing department, agency, or entity is the same as or less than the lowest price paid for the same drug by the United States Department of Veterans Affairs.

Section 2. The price ceiling described in section 1 of this Act applies to all programs in which the State or any of its agencies is the ultimate payer for the drug, even if it does not purchase the drug directly.

Section 3. In addition to any agreement for any cash discounts, free goods, volume discounts, rebates, and any other discounts or credits already in place for these programs, the State and its agencies shall enter into additional agreements with drug manufacturers for further price reduction so the net cost of the drug, as determined by the purchasing department, agency, or entity, is the same as or less than the lowest price paid for the same drug by the United States Department of Veterans Affairs.

Section 4. The Bureau of Administration shall adopt rules, pursuant to chapter 1-26 to obtain information about prescription drug prices, credits, discounts, rebates, and other price advantages for the purpose of determining the lowest price at which a prescription drug is being offered to the United States Department of Veterans Affairs and to establish the lowest price at which prescription drugs may be purchased by any State Agency. Any State agency may seek waivers of federal law, rule or regulation necessary to implement this Act.

Section 5. If any provision of this Act is challenged in court, the committee of individuals responsible for circulating the petition to qualify this Act for the ballot are deemed to have a direct and personal stake in defending this Act from constitutional or other challenges. If the Act is challenged, committee members shall be deemed to have legal standing to assert the member's direct and personal stake by defending the Act's validity.

Be it enacted by the people of the state of South Dakota.

RECEIVED  
SEP 07 2017  
S.D. SEC. OF STATE

Filed this 7th day of  
September 2017

*Shantel Krebs*

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.
- 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 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER  CITY OR TOWN	DATE OF SIGNING  COUNTY OF REGISTRATION
SIGN 2 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER  CITY OR TOWN	DATE OF SIGNING  COUNTY OF REGISTRATION
SIGN 3 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER  CITY OR TOWN	DATE OF SIGNING  COUNTY OF REGISTRATION
SIGN 4 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER  CITY OR TOWN	DATE OF SIGNING  COUNTY OF REGISTRATION
SIGN 5 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER  CITY OR TOWN	DATE OF SIGNING  COUNTY OF REGISTRATION
SIGN 6 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER  CITY OR TOWN	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
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SIGN 11 PRINT	STREET AND NUMBER OR RURAL ROUTE AND BOX NUMBER  CITY OR TOWN	DATE OF SIGNING  COUNTY OF REGISTRATION
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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, that I made reasonable inquiry and to the best of my knowledge each person signing the petition is a qualified voter in the county indicated on the signature line, that no state statute regarding petition circulation was knowingly violated, 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.

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

Signature of Circulator

Signature of Officer Adminstrating Oath

My Commission Expires

Title of Officer Adminstrating Oath