

RESOLUTION 2024-22  
CITY OF DEADWOOD, SOUTH DAKOTA

WHEREAS Initiated Measure 28 was certified for the November 2024 General Election Ballot by the South Dakota Secretary of State;

WHEREAS Initiated Measure 28, if passed, would remove state, municipal and tribal taxes on all items sold for human consumption except alcohol and prepared food;

WHEREAS “human consumption” is undefined in South Dakota Codified Law or the South Dakota Constitution. Black’s Law Dictionary defines “consumption” as “the act of destroying a thing by using it; the use of a thing in a way that exhausts it.”;

WHEREAS South Dakota Codified Law 34-45-1(7) defines tobacco products as “any item made of tobacco intended for human consumption, including cigarettes, cigars, pipe tobacco, and smokeless tobacco, and vapor products as defined in § 34-46-20.”;

WHEREAS South Dakota Codified Law 10-52-2 allows incorporated municipalities to impose a tax on the sale, use, storage and consumption of items that conform in all respects to the state tax on such items up to two percent;

WHEREAS the Attorney General’s explanation of the measure states legislative or judicial clarification would be needed if the measure passes;

WHEREAS The City of Deadwood levies a two-percent sales tax and collected \$4,715,145 in the 2023 fiscal year and \$2,952,68 year-to-date in the 2024 fiscal year;

WHEREAS The City of Deadwood estimates annual lost revenue of \$380,000.00. To \$460,000.00 unless Initiated Measure 28 is rejected by voters in South Dakota.

NOW, THEREFORE, BE IT RESOLVED, by the City Commission of Deadwood, that Initiated Measure 28 would negatively impact the municipal budget in our community.

Dated this 16<sup>th</sup> day of September, 2024

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David Ruth Jr., Mayor

ATTEST:

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Jessicca McKeown, Finance Officer