

RESOLUTION NUMBER: 2024-09-01

A Resolution to Oppose Initiated Measure 28 and its' repeal of the State's 4.2% sales tax on consumable products.

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 Timber Lake levies a two-percent sales tax and collected \$275,163.32 in the 2023 fiscal year and \$239,017.15 year-to-date in the 2024 fiscal year;

WHEREAS The City of Timber Lake estimates annual lost revenue of \$43,000 (15.8%) unless Initiated Measure 28 is rejected by voters in South Dakota;

NOW, THEREFORE, BE IT RESOLVED, by the Timber Lake Board of Trustees, that Initiated Measure 28 would negatively impact the municipal budget in our community.

Dated this 9th day of September, 2024 at Timber Lake, South Dakota

CITY OF TIMBER LAKE



A handwritten signature in black ink, appearing to read "Tom Hermes".

Tom Hermes, President
Timber Lake Board of Trustees

A handwritten signature in black ink, appearing to read "Karla Nordyke".

Karla Nordyke, Finance Officer

Approved: September 9, 2024
Published: September 19, 2024
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