



2026 South Dakota Legislature

House Bill 1215

Introduced by: **Representative** Mortenson

1 **An Act to authorize counties and municipalities to issue a license for a cigar bar.**

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 **Section 1. That a NEW SECTION be added to chapter 34-46:**

4 A board of county commissioners may approve a license to operate one cigar bar
5 outside of the boundary of a municipality, within its jurisdiction.

6 A governing body of a municipality may approve a license to operate one cigar bar
7 within its jurisdiction, and may approve one additional license to operate a cigar bar within
8 its jurisdiction for every twenty-five thousand legal residents of the municipality.

9 An establishment operating under the provisions of § 34-46-18 is not included in
10 the limitations provided in this section.

11 **Section 2. That a NEW SECTION be added to chapter 34-46:**

12 A person may apply to a county or municipality for a license to operate a cigar bar
13 on the same premises as an establishment licensed under subdivision 35-4-2(4), (6),
14 (12), or (16).

15 The governing body of the county or municipality shall hold a public hearing and
16 make a final decision on the application for a license to operate a cigar bar in the same
17 manner utilized for an on-sale license application pursuant to § 35-2-1.2.

18 **Section 3. That a NEW SECTION be added to chapter 34-46:**

19 To be eligible for a license issued pursuant to section 1 of this Act, the
20 establishment must:

21 (1) Have a humidior on the premises;

22 (2) Be enclosed by solid walls or windows, a solid ceiling, and a solid door;

1 (3) Be enclosed by solid walls or windows, a ceiling, and a solid door and be equipped
 2 with a ventilation system so that exhausted air is not recirculated to nonsmoking
 3 areas and smoke is not backstreamed into nonsmoking areas;

4 (4) Be approved for a license classed under subdivision 35-4-2(4), (6), (12), or (16);
 5 and

6 (5) Generates, or is expected to generate, ten percent or more of its annual gross
 7 income from the sale of cigars.

8 For purposes of this section, "cigar" means an individual roll of tobacco that has a
 9 wrapper or cover consisting only of tobacco, has a measured ring gauge of forty or greater,
 10 and is sold without a filter.

11 **Section 4. That a NEW SECTION be added to chapter 34-46:**

12 The provisions of §§ 34-46-13 to 34-46-15, inclusive, do not apply to the premises
 13 of an establishment licensed pursuant to section 1 of this Act.

14 An establishment licensed pursuant to section 1 of this Act to operate a cigar bar
 15 may permit the smoking of cigars purchased on the premises. An establishment may not
 16 permit the smoking of any other tobacco product on the premises. The establishment shall
 17 post a notice of the prohibition.

18 An establishment licensed to operate a cigar bar under section 1 of this Act shall
 19 annually report to the Department of Revenue, on a form prescribed by the department,
 20 the percent of its annual gross income from the sale of cigars.

21 For purposes of this section, "cigar" means an individual roll of tobacco that has a
 22 wrapper or cover consisting only of tobacco, has a measured ring gauge of forty or greater,
 23 and is sold without a filter.

24 **Section 5. That a NEW SECTION be added to chapter 34-46:**

25 The governing body of a county or municipality may revoke or suspend a license
 26 to operate a cigar bar upon proof that:

27 (1) The licensee does not meet the requirements provided in section 3 of this Act;

28 (2) The licensee, or an agent or employee acting on behalf of the licensee, has violated
 29 a provision of this chapter; or

30 (3) The licensee, or an agent or employee acting on behalf of the licensee, has violated
 31 an ordinance or regulation regarding the sale and distribution of tobacco products
 32 adopted by the political subdivision that issued the license.

1 **Section 6. That a NEW SECTION be added to chapter 34-46:**

2 Prior to taking action pursuant to section 5 of this Act, the governing body of the
3 county or municipality shall hold a hearing.

4 The governing body shall:

5 (1) Provide notice of the hearing to the licensee, at the address given on the license,
6 at least thirty days prior to the date of the hearing; and

7 (2) Publish notice of the hearing in the official newspaper, at least seven days prior to
8 the hearing.

9 **Section 7. That a NEW SECTION be added to chapter 34-46:**

10 A person issued a license to operate a cigar bar pursuant to section 1 of this Act
11 may not sell or transfer the license to any other person.