



2026 South Dakota Legislature

House Bill 1215

SENATE STATE AFFAIRS ENGROSSED

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 a 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 a cigar bar
7 within its jurisdiction.

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

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

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

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

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

- 18 (1) Have a humidior on the premises;
19 (2) Be enclosed by solid walls or windows, a solid ceiling, and a solid door;
20 (3) Be equipped with a ventilation system so that exhausted air is not recirculated to
21 nonsmoking areas and smoke is not backstreamed into nonsmoking areas;
22 (4) Be approved for a license classed under subdivision 35-4-2(4), (6), (12), or (16);
23 and

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

3 For purposes of this section, "cigar" means an individual roll of tobacco that has a
4 wrapper or cover consisting only of tobacco.

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

6 The provisions of §§ 34-46-13 to 34-46-15, inclusive, do not apply to the premises
7 of an establishment licensed pursuant to section 1 of this Act, except as provided in this
8 section.

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

13 An establishment licensed to operate a cigar bar under section 1 of this Act shall
14 maintain records of the percent of its annual gross income from the sale of cigars, over
15 the previous three years. The records are subject to inspection by the governing body that
16 issued the license.

17 For purposes of this section, "cigar" means an individual roll of tobacco that has a
18 wrapper or cover consisting only of tobacco.

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

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

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

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

25 (3) The licensee, or an agent or employee acting on behalf of the licensee, has violated
26 an ordinance or regulation regarding the sale and distribution of tobacco products.

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

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

30 The governing body shall:

- 1 (1) Provide notice of the hearing to the licensee, at the address given on the license,
2 at least thirty days prior to the date of the hearing; and
3 (2) Publish notice of the hearing in the official newspaper, at least seven days prior to
4 the hearing.

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

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