

# South Dakota

## 2020 Election: Adult-Use Legalization

### SOUTH DAKOTA FAST FACTS

POPULATION  
**884,659**

TOTAL EST. # OF  
CANNABIS CONSUMERS  
**97,429**

EST. ANNUAL SALES FROM  
LEGAL ADULT-USE CANNABIS

YEAR 1  
**\$41.3 million**

YEAR 2  
**\$74.9 million**

YEAR 3  
**\$103.8 million**

YEAR 4  
**\$122.9 million**

### PROGRAM REGULATIONS: HIGHLIGHTS

**Allows** for the possession and distribution of up to one (1) ounce of cannabis.

**Further allows** for individuals to have up to three (3) cannabis plants in a private residence if they live in a jurisdiction with no licensed retail outlets.

**Cannabis sales will be taxed at 15%.**

**Requires** the Legislature to establish both a medical cannabis program and legalize the sale of hemp.

**Consumption** in public places or open spaces remains prohibited.

**Local governments** are able to ban the operation of any cannabis-related business from operating within their jurisdiction.

### THINGS TO WATCH:

South Dakota is the first state to vote on medical and adult-use cannabis in the same election. The medical measure also on the ballot was the South Dakota Initiated Measure 26, Medical Marijuana Initiative, which establishes a medical marijuana program for individuals with a serious medical condition.

Both the medical and adult-use initiatives were passed by voters; adult-use was supported by 54% of the electorate. The medical cannabis initiative passed with 70% support.

The ability for local jurisdictions to ban sales should not be overlooked – excessive local bans have successfully limited the growth of the legal cannabis market in other states, and South Dakota has historically leaned politically conservative.

In the case of local bans, the home-grow/caregiver market will likely flourish and provide healthy competition for the retail market.

## ON THE BALLOT: Constitutional Amendment A

RESULTS

**54%**  **46%** 

### South Dakota Constitutional Amendment A, Marijuana Legalization Initiative

legalizes the recreational use of cannabis for adults 21 years or older. South Dakota is the first state to vote on both medical and adult-use cannabis in the same election. Cannabis will be taxed at 15% and local governments retain the right to ban any type of cannabis business from their jurisdiction – including retail, cultivators, processors, and testing facilities.

With an estimated 97,429 current cannabis consumers in the state, **New Frontier Data estimates that by year four of an operational market, annual sales of legal adult-use cannabis in South Dakota will exceed \$122 million.**



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