AN ACT

ENTITLED, An Act to exempt certain entities from the lending license fees and surety bond requirements and bank franchise taxes.

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

Section 1. That § 54-4-40 be amended to read as follows:

54-4-40. Any person who engages in the business of lending money shall apply for a license as prescribed by §§ 54-4-36 to 54-4-63, inclusive. The applicant shall apply for a license under oath on forms supplied by the division. The application shall contain the name of the applicant's business, proof of surety bond, address of the business, and other information as required by the director by rule or order. The applicant shall pay an original license fee as set by rules of the commission promulgated pursuant to chapter 1-26 not to exceed one thousand dollars. If the application of an existing licensee is for an additional location, the application need only include the location and identity of the location manager, plus any changes from the existing license, or such other information the director may consider necessary. The State of South Dakota, any political subdivision of the state, and any quasi-governmental organization created by an executive order of the State of South Dakota and any subsidiary of such organization; any nonprofit corporation formed pursuant to chapter 47-22; any nonprofit United States Treasury Community Development Financial Institution, Small Business Administration Certified Development Company, or Regional Revolving Loan Fund; or any commercial club, chamber of commerce, or industrial development corporation formed pursuant to § 9-12-11 or 9-27-37 is subject to this chapter but exempt from initial license fees, renewal fees, and surety bond requirements under this chapter.

Section 2. That § 54-14-2 be amended to read as follows:

54-14-2. Any person who engages in the business of a mortgage banker or mortgage broker shall obtain an original license to engage in such business under the terms and conditions of this chapter,

shall apply therefor under oath, on forms prescribed by the division, and shall pay an original, nonrefundable license fee as set by rules of the commission promulgated pursuant to chapter 1-26. The fee for a mortgage banker license may not exceed one thousand dollars and the fee for a mortgage broker license may not exceed five hundred dollars. If the application is approved, a license shall be issued.

To renew a license, the licensee shall file for renewal by June fifteenth. Licenses shall be renewed on July first. The commission shall establish a renewal license fee by rules promulgated pursuant to chapter 1-26. The renewal fee for a mortgage banker license may not exceed one thousand dollars and the renewal fee for a mortgage broker license may not exceed five hundred dollars. The State of South Dakota, any political subdivision of the state, and any quasi-governmental organization created by an executive order of the State of South Dakota and any subsidiary of such organization; any nonprofit corporation formed pursuant to chapter 47-22; any nonprofit United States Treasury Community Development Financial Institution, Small Business Administration Certified Development Company, or Regional Revolving Loan Fund; or any commercial club, chamber of commerce, or industrial development corporation formed pursuant to § 9-12-11 or 9-27-37 is subject to this chapter but exempt from initial license fees, renewal fees, and surety bond requirements under this chapter.

Section 3. That § 54-4-54 be amended to read as follows:

54-4-54. Each licensee, whether a corporation or otherwise, shall pay the annual tax provided in chapter 10-43, upon the net income of the licensee, and measured by the net income assignable to such business in South Dakota. The annual tax provided by this section may not be less than twenty-four dollars. The State of South Dakota, any political subdivision of the state, and any quasi-governmental organization created by an executive order of the State of South Dakota and any subsidiary of such organization; any nonprofit United States Treasury Community Development

Financial Institution, Small Business Administration Certified Development Company, or Regional Revolving Loan Fund; or any commercial club, chamber of commerce, or industrial development corporation formed pursuant to § 9-12-11 or 9-27-37 is exempt from the payment of this tax.

Section 4. That § 54-14-6 be amended to read as follows:

54-14-6. All licensees under this chapter in addition to the license and other fees provided by this chapter, are required to pay the annual tax provided in chapter 10-43, upon the net income of the licensee measured by the net income assignable to the licensee's business in South Dakota. The State of South Dakota, any political subdivision of the state, and any quasi-governmental organization created by an executive order of the State of South Dakota and any subsidiary of such organization; any nonprofit United States Treasury Community Development Financial Institution, Small Business Administration Certified Development Company, or Regional Revolving Loan Fund; or any commercial club, chamber of commerce, or industrial development corporation formed pursuant to § 9-12-11 or 9-27-37 is exempt from the payment of this tax.

Section 5. That § 54-4-36 be amended by adding thereto a NEW SUBDIVISION to read as follows:

"Regional revolving loan fund," a regional revolving loan fund with a service area of at least five South Dakota counties, a designated staff for loan processing and servicing, a loan portfolio of at least one million dollars, and which is governed by a board of directors that meets at least quarterly.

Section 6. That § 54-14-1 be amended by adding thereto a NEW SUBDIVISION to read as follows:

"Regional revolving loan fund," a regional revolving loan fund with a service area of at least five South Dakota counties, a designated staff for loan processing and servicing, a loan portfolio of at least one million dollars, and which is governed by a board of directors that meets at least quarterly.

Section 7. That chapter 10-43 be amended by adding thereto a NEW SECTION to read as

follows:

The State of South Dakota, any political subdivision of the state, and any quasi-governmental organization created by an executive order of the State of South Dakota and any subsidiary of such organization; any nonprofit United States Treasury Community Development Financial Institution, Small Business Administration Certified Development Company, or Regional Revolving Loan Fund; or any commercial club, chamber of commerce, or industrial development corporation formed pursuant to § 9-12-11 or 9-27-37 is exempt from the payment of this tax.

An Act to exempt certain entities from the lending license fees and surety bond requirements and bank franchise taxes.

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I certify that the attached Act originated in the

SENATE as Bill No. 154

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Secretary of the Senate

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President of the Senate

Attest:

_____
Secretary of the Senate

_____
Speaker of the House

Attest:

_____
Chief Clerk

Senate Bill No. 154
File No. ____
Chapter No. _____

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Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby approved this _____ day of _____ , A.D., 20___

_____
Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20___
at _____ o'clock __ M.

_____
Secretary of State

By _____
Asst. Secretary of State