

AN ACT

ENTITLED, An Act to allow for grants from the revolving economic development and initiative fund, to revise certain provisions concerning the making of grants and loans from the revolving economic development and initiative fund, and to repeal the capital investment entity program, the value-added tourism subfund and the entrepreneur support program.

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

Section 1. That § 1-16G-3 be amended to read as follows:

1-16G-3. There is established in the state treasury a special revenue fund to be known as the revolving economic development and initiative fund for the purpose of making grants and loans for economic development.

Section 2. That § 1-16G-5 be amended to read as follows:

1-16G-5. Any repayment of loans made and any interest thereon shall be receipted into the revolving economic development and initiative fund and all money in the fund is hereby appropriated for the purposes of making grants and loans as provided in §§ 1-16G-3 to 1-16G-11, inclusive. The Board of Economic Development may promulgate rules pursuant to chapter 1-26, to make grants and loans from the revolving economic development and initiative fund, and may establish criteria for the qualification, application, payment, and repayment of funds for such projects.

The board may also make loans from the revolving economic development and initiative fund to the South Dakota Economic Development Finance Authority for the purposes of assisting in the credit enhancement requirements of bond issues, notes, loan guarantees and bond insurance. Any excess in the capital reserve fund of the economic development finance authority on June thirtieth of each year shall revert to the revolving economic development and initiative fund for the purposes of principal and interest reduction.

Section 3. That § 1-16G-8 be amended to read as follows:

1-16G-8. The Board of Economic Development shall promulgate rules concerning the following:

- (1) The existing barriers to economic growth and development in the state;
- (2) Developing investment in research and development in high technology industries;
- (3) The submission of business plans prior to the approval of economic development grants or loans. Business plans shall include the products or services to be offered by the applicant, job descriptions with attendant salary or wage information by job category, educational requirements by job category, methods of accounting, financing other than that provided by the economic development loan, marketing, sales, merchandising and other disciplines proposed to be used for business growth and expansion;
- (4) The cooperation between agencies of state government and applicant businesses for nonfinancial services including loan packaging, marketing assistance, research assistance, and to assist those businesses to find solutions for complying with environmental, energy, health, safety, and other federal, state, and local laws and regulation; and
- (5) Regular performance monitoring and reporting systems for participating businesses to assure compliance with their business plans and terms of repayment;
- (6) Establish eligibility criteria for grants and loans;
- (7) Establish application procedures for grants and loans;
- (8) Establish criteria to determine which applicants will receive grants or loans;
- (9) Govern the use of proceeds of grants and loans;
- (10) Establish criteria for the terms and conditions upon which loans shall be made, including matching requirements, interest rates, repayment terms, and the terms of security given to secure such loans; and
- (11) Establish criteria for the terms and conditions upon which grants shall be made, including

permitted uses, performance criteria, and matching requirements.

Section 4. That § 1-16G-8.1 be repealed.

Section 5. That § 1-16G-8.2 be repealed.

Section 6. That § 1-16G-8.3 be repealed.

Section 7. That § 1-16G-9 be repealed.

Section 8. That § 1-16G-10 be amended to read as follows:

1-16G-10. The Board of Economic Development shall prepare an annual report by the first day of November of each year detailing the activities of the board and the terms and conditions of any grants and loans made, including the current status of outstanding loans.

Section 9. That § 1-16G-24 be amended to read as follows:

1-16G-24. Earnings on the revolving economic development and initiative fund and the value added agriculture subfund may be used for the administrative costs of the Division of Finance of the Governor's Office of Economic Development. Such earnings shall be expended in accordance with the provisions of Title 4 on warrants drawn by the state auditor on vouchers approved by the secretary of tourism and state development. Eligible expenses may not exceed total interest earnings during the previous fiscal year prior to the deduction of loan losses for the same fiscal year.

Section 10. That § 1-16G-29 be repealed.

Section 11. That § 1-16G-30 be repealed.

Section 12. That § 1-16G-31 be repealed.

Section 13. That § 1-16G-32 be repealed.

Section 14. That § 1-16G-33 be repealed.

Section 15. That § 1-16G-34 be repealed.

Section 16. That § 1-16G-35 be repealed.

Section 17. That § 1-16G-36 be repealed.

Section 18. That § 1-16G-37 be repealed.

Section 19. That § 1-16G-38 be repealed.

Section 20. That § 1-16G-39 be repealed.

An Act to allow for grants from the revolving economic development and initiative fund, to revise certain provisions concerning the making of grants and loans from the revolving economic development and initiative fund, and to repeal the capital investment entity program, the value-added tourism subfund and the entrepreneur support program.

I certify that the attached Act
originated in the

HOUSE as Bill No. 1176

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1176
File No. _____
Chapter No. _____

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____

_____ for the Governor

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

Governor

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