

85<sup>th</sup> Legislative Session – 2010

Committee: 1060, A, 3/12/2010 9:00:00 AM

Friday, March 12, 2010

P - Present  
E - Excused  
A - Absent

Roll Call

P Heidepriem  
P Gray  
P Knudson, Chair  
P Hunhoff (Bernie)  
P Rausch  
P Rave, Chair

OTHERS PRESENT: See Original Minutes

The meeting was called to order by Tim Rave, Chair.

MOTION: RECESS UNTIL 9:00 AM, FRIDAY, MARCH 12, 2010

Moved by: Gray  
Second by: Knudson  
Action: Prevailed by voice vote.

The committee resumed at 9:00 am on Friday, March 12, 2010.

HB 1060: revise certain provisions regarding the refunds for new or expanded agricultural facilities and the refunds for new or expanded business facilities, to repeal the contractors' excise tax on new or expanded power production facilities, and to exempt certain new business facilities from tax refunds.

Public Testimony:

Bill Van Camp, Nextera Energy Resources  
Julie Johnson, Aberdeen Development Corporation  
Neil Fulton, Governor's Office  
Darla Pollman-Rogers, SD Rural Electric Association  
Steve Tomac, Basin Electric Power Coop

Brett Koenecke, Iberdrola Renewables/SD Electric Utility Companies

MOTION: AMEND HB 1060

1060fj

On the Senate engrossed bill, delete everything after the enacting clause and insert:

" Section 1. That chapter 10-45B be amended by adding thereto a NEW SECTION to read as follows:

For the purposes of this chapter, the term, wind energy facility, means:

- (1) Any new facility, or facility expansion, consisting of a commonly managed integrated system of towers, wind turbine generators with blades, power collection systems, and electric interconnection systems, that converts wind movement into electricity;
- (2) Any new or upgraded electric transmission line and associated facilities; or
- (3) Any new business facility that manufactures, assembles, or distributes wind or transmission components.

Section 2. That chapter 10-45B be amended by adding thereto a NEW SECTION to read as follows:

Notwithstanding any provision of chapter 10-45B or section 8 of SB 195 as previously enacted by the Eighty-fifth Legislature, this section controls the amount of refunds payable under chapter 10-45B for any new business facility that is a wind energy facility and has a construction date on or after January 1, 2010. For project costs incurred and paid from July 1, 2010, to December 31, 2012, inclusive, the amount of the refund shall be determined by applying the provisions of chapter 10-45B in effect on July 1, 2010. The amount of the tax refund for a wind energy facility shall be a percentage of the taxes paid, as follows:

- (1) For project costs of less than ten million dollars, there shall be no refund;
- (2) For project costs of ten or more million dollars but less than forty million dollars, there shall be a refund of forty-five percent of the taxes paid; and
- (3) For project costs of forty or more million dollars, there shall be a refund of fifty-five percent of the taxes paid.

No tax refund may be given for any project cost incurred and paid on or after January 1, 2013, except for performance retainage amounts, not to exceed ten percent, related to the project."

Moved by: Gray  
Second by: Heidepriem  
Action: Prevailed by voice vote.

MOTION: AMEND TITLE OF HB 1060

1060ftd

On page 1, line 1, of the Senate engrossed bill, delete everything after "Act to" and insert "provide certain tax refunds for new or expanded wind energy facilities."

On page 1, delete lines 2 to 4, inclusive.

Moved by: Gray  
Second by: Rausch  
Action: Prevailed by voice vote.

MOTION: ADOPT CONFERENCE COMMITTEE REPORT

Moved by: Knudson  
Second by: Gray  
Action: Prevailed by roll call vote. (6-0-0-0)

Voting Yes: Heidepriem, Gray, Knudson, Hunhoff (Bernie), Rausch, Rave

MOTION: ADJOURN

Moved by: Gray  
Second by: Rausch  
Action: Prevailed by voice vote.

Rena Ortbahn  
Committee Secretary

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Timothy A. Rave, Chair