

# *JOURNAL OF THE HOUSE*

## *NINETY-EIGHTH SESSION*

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THIRTY-EIGHTH DAY

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STATE OF SOUTH DAKOTA  
House of Representatives, Pierre  
Monday, March 27, 2023

The House convened at 9:00 a.m., pursuant to adjournment, the Speaker presiding.

The prayer was offered by the Chaplain, John Fette, followed by the Pledge of Allegiance led by House page Keeleigh Reis-Elwood.

Roll Call: All members present except Reps. May, Pourier, and Wangsness who were excused.

### **APPROVAL OF THE JOURNAL**

Mr. Speaker:

The Committee on Legislative Procedure respectfully reports that the Chief Clerk of the House has had under consideration the House Journal of the 37th day.

All errors, typographical or otherwise, are duly marked in the temporary journal for correction.

And we hereby move the adoption of the report.

Which motion prevailed.

Respectfully submitted,  
Hugh M. Bartels, Chair

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**COMMUNICATIONS AND PETITIONS**

March 15, 2023

Mr. Speaker and Members of the House:

I have the honor to inform you that on March 14, 2023, I approved House Bills 1008, 1035, 1042, 1175, 1220, and 1239, and the same have been deposited in the office of the Secretary of State.

Respectfully submitted,  
Kristi Noem  
Governor

March 15, 2023

Mr. Speaker and Members of the House:

I have the honor to inform you that on March 15, 2023, I approved House Bills 1021, 1030, and 1090, and the same have been deposited in the office of the Secretary of State.

Respectfully submitted,  
Kristi Noem  
Governor

March 16, 2023

Mr. Speaker and Members of the House:

I have the honor to inform you that on March 16, 2023, I approved House Bills 1023, 1024, 1039, 1045, 1065, and 1127, and the same have been deposited in the office of the Secretary of State.

Respectfully submitted,  
Kristi Noem  
Governor

March 17, 2023

Mr. Speaker and Members of the House:

I have the honor to inform you that on March 17, 2023, I approved House Bills 1059, 1153, 1183, and 1185, and the same have been deposited in the office of the Secretary of State.

Respectfully submitted,  
Kristi Noem  
Governor

1 March 20, 2023

2 Mr. Speaker and Members of the House:

3 I have the honor to inform you that on March 20, 2023, I approved House Bills 1016, 1017,  
4 1049, and 1170, and the same have been deposited in the office of the Secretary of State.

5 Respectfully submitted,  
6 Kristi Noem  
7 Governor

8 March 21, 2023

9 Mr. Speaker and Members of the House:

10 I have the honor to inform you that on March 21, 2023, I approved House Bills 1123, 1124,  
11 1137, 1140, 1148, and 1165, and the same have been deposited in the office of the Secretary of  
12 State.

13 Respectfully submitted,  
14 Kristi Noem  
15 Governor

16 March 23, 2023

17 Mr. Speaker and Members of the House:

18 I have the honor to inform you that on March 23, 2023, I approved House Bills 1055, 1108,  
19 1176, 1231, and 1240, and the same have been deposited in the office of the Secretary of State.

20 Respectfully submitted,  
21 Kristi Noem  
22 Governor

23 March 23, 2023

24 Mr. Speaker and Members of the House:

25 I have the honor to inform you that on March 23, 2023, I approved House Bills 1022, 1053,  
26 1078, 1079, 1135, 1154, 1155, and 1174, and the same have been deposited in the office of the  
27 Secretary of State.

28 Respectfully submitted,  
29 Kristi Noem  
30 Governor

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**EXECUTIVE VETOS AND RECOMMENDATIONS**

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March 9, 2023

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Dear Mr. Speaker and Members of the House,

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I respectfully return to you House Bill 1193 with my VETO. House Bill 1193 is an Act to amend provisions of the Uniform Commercial Code, known as the UCC.

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HB 1193 adopts a definition of "money" to specifically exclude cryptocurrencies like Bitcoin, as well as other digital assets. At the same time, these UCC revisions include Central Bank Digital Currencies ("CBDC's") as money. These developments concern me for several reasons.

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First, by expressly excluding cryptocurrencies as money, it would become more difficult to use cryptocurrency. By needlessly limiting this freedom, HB 1193 would put South Dakota citizens at a business disadvantage.

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Second, by defining "money" in this proposed way, HB 1193 opens the door to the risk that the federal government could more easily adopt a CBDC, which then may become the only viable digital currency. At this moment in time, such a government-backed electronic currency has not been created. It would be imprudent to create regulations governing something that does not yet exist. More importantly, South Dakota should not open the door to a potential future overreach by the federal government.

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The UCC provides uniform model provisions for commercial and banking law. The Uniform Law Commission, which drafts the UCC, suggests changes and modernizations to the Code, which states then adopt as those states see fit. There are some who argue we must rush to adopt these provisions. To the contrary, the UCC's first iteration took twenty years to be adopted by each state. There is no reason South Dakota must adopt the changes made by HB 1193 under this purported deadline. The uniform provisions may adjust as needed after other states experiment with this legislation.

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For these reasons, I ask that you sustain my veto of House Bill 1193.

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Respectfully submitted,

Kristi Noem

Governor

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March 23, 2023

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Dear Mr. Speaker and Members of the House of Representatives,

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I respectfully return to you House Bill 1209 with my VETO. House Bill 1209 is an Act to revise provisions regarding industrial hemp.

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South Dakota has a responsible industrial hemp program that we have worked many years to implement properly. House Bill 1209 would jeopardize the effectiveness and safety of our industrial hemp program by creating conflict with federal law while also allowing marijuana products to be considered hemp products.

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House Bill 1209 would change the definition of "product in process" by increasing the amount of THC allowed to 5%. Federally, marijuana is classified as anything that contains over 0.3% THC. With this change, South Dakota would allow hemp products and crops to contain over sixteen times more THC than is currently allowed at the federal level.

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1 My Department of Agriculture and Natural Resources worked closely with industry and  
2 legislators on a compromise last year, allowing for 1% THC levels for a product in process. This  
3 level was based on research showing that 1% THC levels are the trigger for causing psychotropic  
4 effects on humans.

5 Only two states allow a product in process to contain up to 5% THC: Colorado and New  
6 York, both of which have legalized recreational marijuana. South Dakota voters spoke clearly  
7 this past November: they do not want recreational marijuana. If I allowed this bill to become  
8 law, it would jeopardize the clearly expressed will of the people. Increasing the THC level to 5%  
9 would hinder our successful hemp program and undermine enforcement of our drug laws.

10 For these reasons, I oppose House Bill 1209 and ask that you sustain my veto.

11 Respectfully submitted,  
12 Kristi Noem  
13 Governor

#### 14 **CONSIDERATION OF EXECUTIVE VETOES AND RECOMMENDATIONS**

15 The House proceeded to the reconsideration of **HB 1193**, pursuant to the veto of the Governor  
16 and the veto message found on page 548 on the House Journal as provided in Article IV, Section 4,  
17 of the Constitution of the State of South Dakota.

18 The question being "Shall **HB 1193** pass, the veto of the Governor notwithstanding?"

19 And the roll being called:

20 Yeas 30, Nays 37, Excused 3, Absent 0

21 Yeas: Arlint, Chase, DeGroot, Derby, Drury, Duba, Duffy, Healy, Heermann, Jamison, Koth,  
22 Kull, Lesmeister, Massie, Mortenson, Mulder, Nelson, Drew Peterson, Rehfeldt, Reimer, Reisch,  
23 Sauder, Schneider, St. John, Stevens, Tordsen, Venhuizen, Weisgram, Wittman, and  
24 Speaker Bartels

25 Nays: Auch, Aylward, Bahmuller, Blare, Callies, Cammack, Chaffee, Deutsch, Donnell, Emery,  
26 Fitzgerald, Gross, Hansen, Kevin Jensen, Phil Jensen, Karr, Kassin, Krohmer, Krull, Ladner, Lems,  
27 Mills, Moore, Mulally, Odenbach, Olson, Ernie Otten, Overweg, Perry, Sue Peterson, Pinnow,  
28 Randolph, Schaeffbauer, Shorma, Sjaarda, Soye, and Teunissen

29 Excused: May, Pourier, and Wangsness

30 So the bill not having received an affirmative vote of a two-thirds majority of the members-  
31 elect, the Speaker declared the bill lost, sustaining the Governor's veto.

32 The House proceeded to the reconsideration of **HB 1209**, pursuant to the veto of the Governor  
33 and the veto message found on page 548 on the House Journal as provided in Article IV, Section 4,  
34 of the Constitution of the State of South Dakota.

35 The question being "Shall **HB 1209** pass, the veto of the Governor notwithstanding?"

36 And the roll being called:

37 Yeas 32, Nays 35, Excused 3, Absent 0

1 Yeas: Arlint, Auch, Aylward, Bahmuller, Chase, DeGroot, Drury, Duba, Duffy, Emery, Gross,  
2 Healy, Jamison, Kassin, Krohmer, Krull, Kull, Lesmeister, Mortenson, Mulder, Nelson, Olson, Ernie  
3 Otten, Overweg, Drew Peterson, Rehfeldt, Reimer, Sauder, St. John, Stevens, Tordsen, and Wittman

4 Nays: Blare, Callies, Cammack, Chaffee, Derby, Deutsch, Donnell, Fitzgerald, Hansen,  
5 Heermann, Kevin Jensen, Phil Jensen, Karr, Koth, Ladner, Lems, Massie, Mills, Moore, Mulally,  
6 Odenbach, Perry, Sue Peterson, Pinnow, Randolph, Reisch, Schaeftbauer, Schneider, Shorma,  
7 Sjaarda, Soye, Teunissen, Venhuizen, Weisgram, and Speaker Bartels

8 Excused: May, Pourier, and Wangsness

9 So the bill not having received an affirmative vote of a two-thirds majority of the members-  
10 elect, the Speaker declared the bill lost, sustaining the Governor's veto.

## 11 **REPORTS OF STANDING COMMITTEES**

12 Mr. Speaker:

13 The Committee on Legislative Procedure respectfully reports that the House has, pursuant to  
14 the Governor's veto of **HB 1193 and 1209**, sustained those vetoes and delivered the same to her  
15 Excellency, the Secretary of State, for filing at 10:40 a.m., March 27, 2023.

16 Respectfully submitted,  
17 Hugh M. Bartels, Chair

18 The following prayer was offered by the Chaplain, John Fette.

19 Father you are the giver of all that is good and perfect. We ask blessings on our efforts this  
20 session. Please give us traveling mercies as we go home. We look forward to the answers to our  
21 prayers. This I ask in Jesus' name. AMEN

22 Rep. Blare moved that the House do now adjourn sine die in accordance with Article III, Section  
23 16 of the South Dakota Constitution, which motion prevailed, and at 10:45 a.m. the House  
24 adjourned.

25 Patricia Miller, Chief Clerk