



2025 South Dakota Legislature

House Bill 1206

Introduced by: **Representative Auch**

1 **An Act to revise provisions on interim transfers and appropriations.**

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

3 **Section 1. That § 4-8A-1 be AMENDED:**

4 **4-8A-1.** Terms as used in this chapter, unless the context otherwise requires,
5 mean:

6 (1) "Agency," a principal functional and administrative entity, including each
7 department of state government and bureau, as designated in the general
8 appropriation bill;

9 (2) "Budget unit," a unit of government contained within an agency, including each
10 institution, for which separate appropriations in the general appropriation bill are
11 made;

12 (3) "Fund source," general fund, federal fund, or other fund expenditure authority
13 appropriated in the general appropriation bill;

14 (4) "General appropriation-act bill," the bill enacted by the Legislature in accordance
15 with the provisions of S.D. Const., Art. XII, § 2, requiring a majority vote of all the
16 members of each house of the Legislature;

17 ~~(2)~~(5) "General contingency funds," appropriated funds for expenditures arising from or
18 subject to unforeseen conditions of a department's or institution's an agency's
19 operations for which a general fund appropriation has not been provided and which
20 are deemed by the Governor and the special committee to be in the interest of the
21 state and its agencies or institutions;

22 ~~(3)~~ "Maintenance and repair," expenditures authorized for contractual services for
23 repairs, alterations and additions to physical plant and expenditures for supplies
24 and materials purchased by a state institution or agency to be used in the repair,
25 alteration or additions to physical plant, where the same are to be repaired or
26 altered by the use of institution or agency employees, and expenditures for

1 replacement of equipment, the primary use of which is for repair and alteration of
2 physical plant;

3 ~~(4)(6)~~ "Program," major services rendered by ~~a department~~ an agency for a single
4 identifiable purpose as appropriated within ~~a department~~ an agency budget; and

5 ~~(5)(7)~~ "Special committee," the committee created by § 4-8A-2.

6 **Section 2. That § 4-8A-3 be AMENDED:**

7 **4-8A-3.** The special committee shall serve to release ~~sums of money~~ moneys from
8 any general contingency funds appropriated for contingent purposes by the general
9 appropriation ~~act~~ bill or any special ~~act~~ appropriation. The ~~special~~ committee shall also
10 serve to continually review, evaluate, and coordinate state fiscal and budgetary policy,
11 including, ~~but not limited to,~~ the adoption of any new programs by any ~~department of~~
12 ~~state government~~ agency, and ~~shall also~~ carry out any assignments made by the Executive
13 Board of the Legislative Research Council.

14 The committee may hold public hearings to review the budget report submitted by
15 the Governor and the long-term capital improvements budget as required in § 4-7-19.
16 The committee may summon and examine witnesses.

17 **Section 3. That § 4-8A-5 be AMENDED:**

18 **4-8A-5.** The ~~appropriation amounts~~ appropriations authorized ~~as a result of~~ by the
19 general appropriation ~~act~~ bill ~~must~~ be classified and coded for budgetary accounting
20 purposes in accordance with the provisions of chapter 4-7.

21 **Section 4. That § 4-8A-6 be AMENDED:**

22 **4-8A-6.** All ~~amounts appropriated by~~ appropriations in the general appropriation
23 ~~act~~ bill ~~may~~ be used only for the specific purposes therein provided and no other.
24 The state auditor shall issue warrants on itemized and approved vouchers filed in his office,
25 but no warrants ~~shall~~ may be issued to or on behalf of any person, ~~department, or~~
26 ~~institution or agency~~, on any fund in excess of the appropriation specifically made in the
27 general appropriation ~~act~~, bill, except as provided by the provisions of this chapter, a
28 special ~~act of the Legislature making a specific appropriation~~ bill, an internal service fund
29 created by the Legislature, or a ~~continuing~~ continuous appropriation ~~from state revenues~~
30 created by the Legislature.

31 **Section 5. That § 4-8A-8 be AMENDED:**

1 **4-8A-8.** ~~Moneys appropriated on a program basis by the General Appropriation Act~~
2 ~~may be transferred between program accounts within or between programs within~~
3 ~~departments and bureaus or between departments and bureaus to reflect a reorganization~~
4 ~~pursuant to Article IV, section 8 of the South Dakota Constitution only at the written~~
5 ~~request of a governing body, department secretary, or bureau commissioner, or designee,~~
6 ~~in accordance with procedures established by the Bureau of Finance and Management and~~
7 ~~only upon written approval of the Bureau of Finance and Management. Transfer of moneys~~
8 ~~appropriated by the General Appropriations Act between departments, institutions, and~~
9 ~~bureaus that is not necessary for a reorganization pursuant to Article IV, section 8 of the~~
10 ~~South Dakota Constitution may only occur at the written request of a governing body,~~
11 ~~department secretary, or bureau commissioner, or designee, only in accordance with~~
12 ~~procedures established by the Bureau of Finance and Management and only upon approval~~
13 ~~by the special committee created in this chapter.~~An agency may transfer appropriations
14 made in the general appropriation bill, on a one-time basis, within each budget unit using
15 the same fund source, in accordance with procedures established by the Bureau of Finance
16 and Management and only upon written approval of the bureau. Transfer of appropriations
17 between budget units or between fund sources must be approved by the special
18 committee. Agencies may not transfer appropriations on a permanent basis except to
19 make pool distributions as approved by the special committee or to reflect a reorganization
20 pursuant to S.D. Const., Art. IV, § 8.

21 The Bureau of Finance and Management shall keep a record of all—such
22 authorizations approvals of transfers and make them available for public inspection.
23 ~~Immediately after the transfer of moneys authorized by this section is approved, the~~
24 ~~bureau shall transmit an authorization notice to the special legislative committee~~
25 ~~established in § 4-8A-2 and its designees. At least ten days prior to approving any transfer~~
26 authorized by this section, the bureau shall transmit a notice to transfer appropriations to
27 the special committee and its designees.

28 **Section 6. That § 4-8A-9 be AMENDED:**

29 **4-8A-9.** All requests by ~~state departments and institutions~~ an agency for moneys
30 from any general contingency funds appropriated ~~by~~ in the general appropriation ~~act~~ bill
31 or any special ~~act~~ appropriation must be submitted in writing to the Governor, the Bureau
32 of Finance and Management, and the ~~chairman or chairmen~~ chair or chairs of the special
33 committee, setting forth ~~clearly~~ the proposed usage and necessity for ~~such funds~~ the
34 moneys. If the Governor deems ~~any such~~ the request to be in the public interest and of

1 sufficient necessity, the Governor ~~shall~~ must submit a recommendation to the special
2 committee, for its consideration ~~and disposition~~.

3 **Section 7. That § 4-8A-10 be AMENDED:**

4 **4-8A-10.** Whenever ~~it shall be deemed~~ the Governor deems it necessary for the
5 special committee to consider, pass upon, and release general contingency funds for
6 emergency purposes or as supplements to the budgets for the ordinary expenses of ~~state~~
7 ~~departments and institutions~~ agencies, the Governor shall give due and reasonable notice
8 to the members of the special committee.

9 **Section 8. That § 4-8A-11 be AMENDED:**

10 **4-8A-11.** No action ~~shall~~ may be taken on release of moneys from any general
11 contingency funds except by majority vote of the entire special committee membership.
12 The special committee by majority vote of the entire membership may reduce or increase
13 the dollar amount recommended by the Governor. ~~The~~ Upon the approval of the special
14 committee, the Bureau of Finance and Management shall initiate the transfer of ~~such funds~~
15 the moneys to the proper ~~department~~ agency fund.

16 **Section 9. That § 4-8A-12 be AMENDED:**

17 **4-8A-12.** Notwithstanding the provisions of § 4-8A-8, the Executive Board of the
18 Legislative Research Council may, by majority vote of the board, transfer ~~money~~ moneys
19 appropriated to a legislative department contingency program line item in the general
20 ~~appropriations act~~ appropriation bill to other program line items within the legislative
21 department upon written request of the ~~division heads~~ Director of the Legislative Research
22 Council. The Legislative Research Council shall keep a record of ~~all such~~ the authorizations
23 of transfers and make them available to the public.

24 **Section 10. That § 4-8A-16 be AMENDED:**

25 **4-8A-16.** The Bureau of Finance and Management and the Legislative Research
26 Council shall prepare and submit, no later than July thirtieth of each year, independent
27 projections that conform with the provisions of subdivisions 4-7-10(2) and (5) to the
28 Governor or the Governor's designee and the ~~committee created by this chapter~~ special
29 committee. Notwithstanding the provisions of subdivisions 4-7-10(2) and (5), the

1 projections~~shall~~ must contain information of the actual revenue for each of the two fiscal
2 years last concluded and the estimated revenue of the current fiscal year.

3 If either of the estimates provided in this section project a budget shortfall in
4 excess of two and one-half percent of the general fund appropriated budget in the current
5 fiscal year, the Bureau of Finance and Management and the Legislative Research Council
6 ~~shall~~ must propose measures to the Governor and the special committee~~created in~~
7 ~~chapter 4-8A~~ for eliminating the shortfall. If either of the estimates provided in this section
8 project a budget shortfall in the current or next fiscal year of five percent or greater of the
9 general fund appropriated budget, the Governor~~shall~~ must propose measures to eliminate
10 the shortfall consistent with S.D. Const., Art. ~~12~~ XII, § 7.

11 **Section 11. That § 4-8A-7 be REPEALED.**

12 ~~Any moneys appropriated in the general appropriation act to the Board of Regents,~~
13 ~~or the executive branch for operations, maintenance, and repair, and contingency for~~
14 ~~institutions and programs under their jurisdiction shall be allocated by the board or~~
15 ~~department heads to the Bureau of Human Resources and Administration or to the~~
16 ~~expenditure accounts of the institutions to which an allocation of funds is made. Such~~
17 ~~transfer documents shall be approved by the Bureau of Finance and Management.~~