



2025 South Dakota Legislature

Senate Bill 202

Introduced by: **Senator Duhamel**

1 **An Act to create the water infrastructure development fund.**

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

3 **Section 1. That a NEW SECTION be added to chapter 46A-1:**

4 There is hereby created the water infrastructure development fund. This fund shall
5 consist of moneys from legislative appropriations, federal grants for projects on the
6 Bureau of Reclamation rural water projects list, interest on investments, and principal and
7 interest on loans made from the fund. Expenditures from the fund must be by special
8 appropriation of the Legislature and must be used for the construction, planning, and
9 development of water projects that are listed in 2025 or thereafter on the bureau of
10 reclamation rural water projects list or which have received congressional authorization.

11 In administrating the water infrastructure development fund, the Board of Water
12 and Natural Resources may award to a project a grant that is equal to no more than ten
13 percent of the construction cost, as estimated by the board. The board may also provide
14 a loan to the project, provided the loan does not exceed fifty percent of the construction
15 cost, as estimated by the board. Any loan provided by this section must be secured by the
16 best security position available. A pledge of assets owned by the entity receiving a loan
17 and project revenues constitutes sufficient minimum security for loans under this section.

18 The board may establish, by rules promulgated pursuant to chapter 1-26, criteria
19 for the selection of water projects to receive loans or grants from the fund and for the
20 terms, conditions, and administration of the loans and grants.