



2025 South Dakota Legislature

Senate Bill 146

SENATE APPROPRIATIONS ENGROSSED

Introduced by: **Senator Karr**

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 and bureau of state government, 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) "General appropriation-act bill," the bill enacted by the Legislature in accordance
13 with the provisions of S.D. Const., Art. XII, § 2, requiring a majority vote of all the
14 members of each house of the Legislature;

15 ~~(2)(4)~~ "General contingency funds," appropriated funds for expenditures arising from or
16 subject to unforeseen conditions of a department's or institution's an agency's
17 operations for which a general fund appropriation has not been provided and which
18 are deemed by the Governor and the special committee to be in the interest of the
19 state and its agencies-or-institutions; and

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

(4) ~~"Program," major services rendered by a department for a single identifiable purpose as appropriated within a department budget;~~
(5)(5) "Special committee," the committee created by § 4-8A-2.

Section 2. That § 4-8A-3 be AMENDED:

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

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

Section 3. That § 4-8A-5 be AMENDED:

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

Section 4. That § 4-8A-6 be AMENDED:

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

Section 5. That § 4-8A-8 be AMENDED:

4-8A-8. ~~Moneys appropriated on a program basis by the General Appropriation Act may be transferred between program accounts within or between programs within departments and bureaus or between departments and bureaus to reflect a reorganization pursuant to Article IV, section 8 of the South Dakota Constitution only at the written request of a governing body, department secretary, or bureau commissioner, or designee, in accordance with procedures established by the Bureau of Finance and Management and only upon written approval of the Bureau of Finance and Management. Transfer of moneys appropriated by the General Appropriations Act between departments, institutions, and bureaus that is not necessary for a reorganization pursuant to Article IV, section 8 of the South Dakota Constitution may only occur at the written request of a governing body, department secretary, or bureau commissioner, or designee, only in accordance with procedures established by the Bureau of Finance and Management and only upon approval by the special committee created in this chapter.~~ Any transfer of appropriations made in the general appropriation bill may only occur upon approval by an agency head or designee, in accordance with procedures established by the Bureau of Finance and Management, and upon approval of the bureau. An agency may transfer appropriations within a budget unit, on a one-time or ongoing basis, or between budget units within an agency, on a one-time basis. An agency may transfer appropriations between agencies to reflect a reorganization pursuant to S.D. Const., Art. IV, § 8. Transfers of appropriations between budget units within an agency, on an ongoing basis, or between agencies, on a one-time or ongoing basis, must be approved by the special committee. Notwithstanding this section, transfers of appropriations between institutions under the control of the Board of Regents, on a one-time or ongoing basis, must be approved by the special committee.

The Bureau of Finance and Management shall keep a record of all such authorizations approvals of transfers and make them available for public inspection. Immediately after the transfer of moneys authorized by this section is approved, the bureau shall transmit an authorization notice to the special legislative committee established in § 4-8A-2 and its designees. At least ten days prior to approving any transfer requiring approval by the special committee, the bureau shall transmit a notice to transfer appropriations to the special committee and its designees. For all other transfers between budget units, the bureau shall transmit a detailed explanation of the transfer to the special committee and its designees immediately after approving the transfer.

Section 6. That § 4-8A-9 be AMENDED:

1 **4-8A-9.** All requests by ~~state departments and institutions~~ an agency for moneys
2 from any general contingency funds appropriated ~~by in~~ the general appropriation ~~act~~ bill
3 or any special ~~act~~ appropriation bill must be submitted in writing to the Governor, the
4 Bureau of Finance and Management, and the ~~chairman or chairmen~~ chair or chairs of the
5 special committee, setting forth ~~clearly~~ the proposed usage and necessity for ~~such funds~~
6 the moneys. If the Governor deems ~~any such the~~ request to be in the public interest and
7 of sufficient necessity, the Governor ~~shall~~ must submit a recommendation to the special
8 committee, for its consideration and disposition.

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

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

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

16 **4-8A-11.** No action ~~shall~~ may be taken on release of moneys from any general
17 contingency funds except by majority vote of the entire special committee membership.
18 The special committee by majority vote of the entire membership may reduce or increase
19 the dollar amount recommended by the Governor. ~~The~~ Upon the approval of the special
20 committee, the Bureau of Finance and Management shall initiate the transfer of ~~such funds~~
21 the moneys to the proper ~~department~~ agency fund.

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

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

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

1 **4-8A-16.** The Bureau of Finance and Management and the Legislative Research
2 Council shall prepare and submit, no later than July thirtieth of each year, independent
3 projections that conform with the provisions of subdivisions 4-7-10(2) and (5) to the
4 Governor or the Governor's designee and the ~~committee created by this chapter.~~ special
5 committee. Notwithstanding the provisions of subdivisions 4-7-10(2) and (5), the
6 projections ~~shall~~ must contain information of the actual revenue for each of the two fiscal
7 years last concluded and the estimated revenue of the current fiscal year.

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

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

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