

MINUTES

Rules Review



Representative Jon Hansen, Chair
Senator Taffy Howard, Vice Chair

Fifth Meeting, 2025 Interim
Tuesday, July 15, 2025

Room 414 – State Capitol
Pierre, South Dakota

The four hundred thirty-fourth meeting of the Interim Rules Review Committee (IRRC) was called to order by Senator Taffy Howard, Vice Chair, at 10:00 a.m. (CT) on July 15, 2025, in Room 414 at the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members present: Representatives Jon Hansen, Chair (remote); Roger DeGroot; and Erik Muckey; and Senators Taffy Howard, Vice Chair; Liz Larson (remote); and Jim Mehlhaff. Staff members present were Justin Goetz, Code Counsel; Kelly Thompson, Legislative Editor; and Dilyn Tramp, IT Support Specialist.

NOTE: For the purpose of continuity, the following minutes are not necessarily in chronological order. All referenced documents distributed at the meeting are hyperlinked to the document on the Legislative Research Council website. This meeting was live streamed. Each section contains a hyperlink to the time stamp pertaining to that item in the archived live stream available at sdlegislature.gov.

Approval of Minutes

Representative Muckey moved, seconded by Senator Mehlhaff, that the [June 10, 2025, meeting minutes](#) be approved. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. [\(00:32.480\)](#)

Rules Reviewed

[South Dakota Commission on Gaming \(Department of Revenue\):](#) Amend rules to incorporate the most recent version of the Association of Racing Commissioners International Uniform Clarification Guidelines for Foreign Substances and Recommend Penalties as applied to authorized drugs for horse racing.

Mr. Doug Abraham, South Dakota Commission on Gaming, reviewed the proposed rules which are updated annually to correspond to the latest guidelines from the Association of Racing Commissioners International. [\(02:00.840\)](#)

Representative Muckey moved, seconded by Representative DeGroot, that the review of the rules proposed by the South Dakota Commission on Gaming (Department of Revenue) is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. [\(03:33.440\)](#)

[Department of Social Services:](#) Amend and repeal rules to reduce the TANF payment standard amount by 10 percent and to combine the eligibility categories from three to two.

Mr. Jeremy Lippert and Mr. Matt Althoff, Department of Social Services, reviewed the proposed rules. Mr. Althoff noted that legislative review of the TANF benefit reductions was brought up at the agency's public hearing and that the Joint Appropriations Committee had been given the opportunity to discuss the issue during session, although the issue was not developed extensively. He said due to a build-up of federal moneys available for use, the program

could withstand the reduction in benefits in the short term, but long term, this reduction provided the best gradual drawdown on benefits given the broader fiscal picture. [\(05:05.820\)](#)

Public Comments

Ms. Nikki Gronli, Self, spoke in opposition to the proposed changes, saying there is no immediate TANF funding crisis, there has been no federal cut to TANF, and the department did not properly follow the process in proposing the reductions. She also cited the strong opposition to the plan at the Sioux Falls public hearing and said the program serves vulnerable children who will be negatively impacted if benefits are reduced. [\(10:54.760\)](#)

Ms. Cathy Brechtelsbauer, Self, stated she has followed the TANF program for over thirty years and in that time, cuts in benefits have never been proposed. During her opposition comments, Ms. Brechtelsbauer said the department's public hearing notice made it appear that there had been cuts made to the TANF program budget, making it sound as if the cuts in benefits were necessary when they are not. A handout ([Document 1](#)) she provided to the committee and interested parties detailed TANF payments for Fiscal Year 2026 under the Governor's budget. [\(13:21.280\)](#)

Rebuttal

Mr. Althoff noted that TANF is not a program that makes households whole; most families are receiving multiple forms of public assistance including housing, childcare assistance, and energy assistance. He added that the department cannot provide funds it does not have. [\(27:07.020\)](#)

Representative DeGroot asked if there had been a misunderstanding between how the issue was discussed in the Joint Appropriations Committee and how the rules presented today were drafted. Mr. Althoff responded that a three-pronged approach was used in determining what rules changes were needed. [\(30:41.200\)](#)

Representative DeGroot wondered why a reduction in benefits was being proposed when those opposed to the change have indicated there is not an immediate financial crisis. He also asked Mr. Althoff if those families that will be impacted have been notified of the change and what the average loss in funding will be per family. [\(33:49.140\)](#)

Representative Muckey asked Mr. Althoff to explain when the department arrived at the decision to reduce TANF benefits as shown in the rules changes being considered. [\(36:43.380\)](#)

Representative Muckey moved, seconded by Senator Larson, that rules 67:10:05:03 and 67:10:05:05, as proposed by the Department of Social Services, be reverted to a step prior under SDCL 1-26-4.7(7) while the remaining rules be deemed complete. (39:26.560)

As a substitute motion, Representative Hansen moved, seconded by Senator Mehlhaff, that the review of all rules proposed by the Department of Social Services is complete. (45:37.780)

Representative Muckey commented that he respects that the department has the authority to promulgate the rules but that the changes as presented go against what authority has been given to the agency by the Joint Appropriations Committee as shown by the motion sheet. Senator Larson also expressed concerns about supporting the substitute motion, while Representative DeGroot indicated that while he had some concerns, this issue would simply come back if reverted. Senator Mehlhaff stated that it is not the primary role of government to provide assistance and that government should be cautious about relying on one-time moneys for ongoing expenses. Senator Howard added that the rule-making process within the department should be allowed to play out, as appropriators do not deal with the minutiae of running agency programs. [\(47:35.940\)](#)

The substitute motion prevailed on a roll call vote with 4 AYES and 2 NAYS. Voting AYE: DeGroot, Mehlhaff, Howard, and Hansen. Voting NAY: Larson and Muckey. (56:03.020)

Department of Game, Fish and Parks: Amend rules to:

- Make Purple Heart recipients eligible for the disabled veteran lifetime state park entrance license and associated discounted camping fees;
- Allow year-round fishing in the dredge-hole area of Lake Francis Case between the railroad bridge and the Interstate 90 bridge and causeway in Brule and Lyman counties;
- Modify the unit description for the muskrat trapping season;
- Modify the beaver trapping and hunting season in the Black Hills Fire Protection District; and
- Update the harvest limit for river otters.

Mr. Tom Kirschenmann and Mr. Jeff VanMeeteren, Department of Game, Fish and Parks, reviewed the proposed rules, some of which were prompted by petitions submitted to the Game, Fish and Parks Commission by the public. Among those brought by petition were two rules that would allow Purple Heart recipients to obtain a lifetime park entrance license and receive a discount on camping permits, campsite electrical service, and camping cabin permits. [\(57:32.160\)](#)

Senator Larson asked how the department measures river otter populations in the state. Mr. Kirschenmann explained that the process includes the taking of biological samples from harvested animals, location surveys, and reports from the public and department staff. [\(01:05:48.660\)](#)

Senator Howard moved, seconded by Representative Muckey, that rules 41:03:03:03.01 and 41:03:04:03, as proposed by the Department of Game, Fish and Parks, be reverted to a step prior under SDCL 1-26-4.7(4) and (7) while the remaining rules be deemed complete. Motion failed on a roll call vote with 3 AYES and 3 NAYS. Voting AYE: Mehlhaff, Howard, and Hansen. Voting NAY: DeGroot, Larson, and Muckey. (01:08:40.160)

Senator Howard moved, seconded by Senator Mehlhaff, that the rules proposed by the Department of Game, Fish and Parks is complete but that rules 41:03:03:03.01 and 41:03:04:03 be suspended and not become effective until after the subsequent session. (01:15:06.220)

Mr. Justin Goetz, Code Counsel, advised committee members that for that option to be utilized as final action, prior notice to the agency is required. As prior notice was not provided in this instance, Senator Howard withdrew her motion.

Senator Howard moved, seconded by Senator Mehlhaff, that rules 41:03:03:03.01 and 41:03:04:03, as proposed by the Department of Game, Fish and Parks, be reverted to a step prior under SDCL 1-26-4.7(7) while the remaining rules be deemed complete. Motion prevailed on a roll call vote with 4 AYES and 2 NAYS. Voting AYE: DeGroot, Mehlhaff, Howard, and Hansen. Voting NAY: Larson and Muckey. (01:18:15.680)

South Dakota Aeronautics Commission (Department of Transportation): Amend or repeal rules to bring the rules into conformity with current statutory terminology and the processes used by the Aeronautics Commission and the department when issuing certificates of approval for airports, and update references to the law implemented and statutory authority for the rules.

Ms. Karla Engle, Department of Transportation, reviewed the proposed rules which are the result of the passage of [Senate Bill 40](#) by the 2025 Legislature. [\(01:21:45.400\)](#)

Representative Muckey moved, seconded by Senator Howard, that the review of the rules proposed by the South Dakota Aeronautics Commission (Department of Transportation) is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (01:27:17.720)

South Dakota Transportation Commission (Department of Transportation): Amend a rule to reduce the speed limit on U.S. Highway 12 from the east side of Aberdeen to Bath.

Ms. Karla Engle, Department of Transportation, reviewed the proposed rule and advised the committee that law enforcement supports the change as presented. [\(01:28:21.400\)](#)

Representative Muckey moved, seconded by Senator Howard, that the review of the rules proposed by the South Dakota Transportation Commission (Department of Transportation) is complete. Motion prevailed on a roll call vote with 5 AYES and 1 EXCUSED. Voting AYE: DeGroot, Mehlhaff, Muckey, Howard, and Hansen. EXCUSED: Larson. (01:32:15.660)

South Dakota Retirement System Board of Trustees: Repeal certain sections, chapters, and articles of administrative rules pertaining to the South Dakota Retirement System as a result of the passage of [House Bill 1029](#) by the 2025 South Dakota Legislature.

Mr. John Richter, South Dakota Retirement System, reviewed the proposed rules. [\(01:33:45.640\)](#)

Representative Muckey noted that he was a member of the House Retirement Laws Committee that approved House Bill 1029 and he appreciated Mr. Richter's transparency throughout the process. [\(01:37:05.000\)](#)

Representative Muckey moved, seconded by Senator Mehlhaff, that the review of the rules proposed by the South Dakota Retirement System Board of Trustees is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (01:36:49.060)

Department of Public Safety: Amend rules to adopt the 2025 edition of the Commercial Vehicle Safety Alliance handbook, the requirements of Title 49 Code of Federal Regulations (CFR) 391.11(b)(2), and round down to the nearest dollar on prorated driver licensing fees.

Ms. Kristi Turman, Department of Public Safety, reviewed the proposed rules which impact the Driver Licensing and Motor Carrier Services divisions within the department. [\(01:38:16.300\)](#)

Representative DeGroot moved, seconded by Representative Muckey, that the review of the rules proposed by the Department of Public Safety is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (01:46:41.540)

South Dakota Board of Medical and Osteopathic Examiners (Department of Health): Amend, repeal, and adopt rules to:

- Update the Emergency Medical Services personnel scope;
- Enact a community paramedic endorsement; and
- Update language regarding ambulance drivers and supervision requirements.

Ms. Whitney Burrows, South Dakota Board of Medical and Osteopathic Examiners, reviewed the proposed rules. [\(01:47:57.120\)](#)

Senator Howard asked if the community paramedic endorsement was new and if other states have similar endorsements. Ms. Burrows confirmed the endorsement was new for the paramedic level, having passed into statute in 2023, and that several states do have the endorsement although it varies as to how it is used. [\(01:51:42.220\)](#)

Senator Mehlhaff moved, seconded by Representative DeGroot, that the review of the rules proposed by the South Dakota Board of Medical and Osteopathic Examiners (Department of Health) is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (01:54:14.500)

South Dakota Board of Medical and Osteopathic Examiners (Department of Health): Amend, repeal, and adopt rules to update supervision language, licensure requirements, and the Athletic Trainer Code of Ethics.

Ms. Whitney Burrows, South Dakota Board of Medical and Osteopathic Examiners, reviewed the proposed rules which are the result of the passage of [Senate Bill 151](#) by the 2024 Legislature. [\(01:55:46.540\)](#)

Representative DeGroot moved, seconded by Senator Howard, that the review of the rules proposed by the South Dakota Board of Medical and Osteopathic Examiners (Department of Health) is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (01:58:19.500)

Department of Health: Amend and repeal medical cannabis rules to:

- Add definitions for further clarity;
- Repeal obsolete references;
- Clean up the non-resident and establishment registration process;
- Adjust a conversion calculation;
- Modify and clarify the establishment operation processes;
- Require an expiration date on products; and
- Establish the imposition and payment of fines.

Ms. Tamara Lee, Department of Health, reviewed the proposed rules some of which were prompted by the passage of [Senate Bill 43](#) by the 2025 Legislature. Ms. Lee advised the committee that the department met with industry stakeholders several times during the process and that changes were made to the proposed rules based on comments received from the industry. [\(01:59:43.920\)](#)

Public Comments

Mr. Ned Horsted, 605 Cannabis, spoke in opposition to the proposed fine schedule and also provided written testimony ([Document 2](#)). Mr. Horsted expressed concern about the imposition of fines against businesses who have already resolved the training violations they have been charged with but the [Metrc South Dakota](#) system used by the department may not accurately reflect their compliance. Mr. Horsted requested that the rules be reverted until the state medical cannabis program has consistent staff who understand how the program and its systems work. [\(02:05:15.200\)](#)

Mr. Jeremiah M. Murphy, Cannabis Industry Association of South Dakota, said his organization questions the new fine schedule which mirrors that used in Colorado. Mr. Murphy stated that the fines should reflect South Dakota, not other states, and that the fines as presented are not commensurate with fines for other crimes in South Dakota. He asked that the two rules pertaining to fines be reverted. [\(02:10:57.720\)](#)

Ms. Char Gamble, Cannabis Health, commented that although her business had been cited under the old system, she did not experience the same issues as Mr. Horsted. In her case, she was able to go back to the Metrc system and submit proof that the training had been completed. Ms. Gamble noted that the significant turnover in employees in the department's medical cannabis program could also be impacting the efficiency of the program. [\(02:41:12.500\)](#)

Rebuttal

Ms. Lee told members that the only course of action right now for businesses who do not follow training requirements is suspension or revocation of their license; the system of fines will add another layer for compliance.

Ms. Emily Broad, Department of Health, added that the department tried to base their tiered fine system on those used in other states. [\(02:19:39.440\)](#)

Representative DeGroot asked Mr. Murphy if he thought the department had followed the rules promulgation process and how much of the rules packet he wanted the committee to revert. Mr. Murphy explained his request. [\(02:23:36.740\)](#)

Representative DeGroot inquired of Ms. Lee as to how the department came up with the tiered fines system. [\(02:27:43.780\)](#)

Senator Mehlhaff requested more information on how the appeals process works for those businesses who want to contest the fines levied against them under these rules. Ms. Lee explained the steps involved. [\(02:28:47.360\)](#)

Representative Muckey asked Ms. Lee if businesses will have to go through the hearing process to show proof that they have rectified any training issues and are compliant, and what steps were being taken by the department to address the issues being reported with the Metrc system. [\(02:29:24.940\)](#)

Senator Howard inquired as to whether the point will be reached where the old system and the new system will be compatible. [\(02:31:18.380\)](#)

Referencing Mr. Horsted's report, Representative Muckey wondered why the system was still reporting violations if the business is not violating the rules. Ms. Lee explained the timeline followed during the inspection process. [\(02:32:51.380\)](#)

Senator Mehlhaff asked why if violations are showing up in error, they are not corrected on the report. He further inquired whether inspectors review the reports prior to conducting an inspection. **Mr. Stephen Garvin, Department of Health**, covered the inspection process. [\(02:35:26.600\)](#)

Ms. Cassie Deffenbaugh, Department of Health, provided information on the Metrc system used by the department to track violations and told members that while she is new to her position, she would be open to making some process changes, if needed. [\(02:38:44.080\)](#)

Representative Muckey asked Ms. Deffenbaugh if she could guarantee that the new system would not continue to show violations in cases in which the business has already fixed the problem and is actually in compliance. She responded yes, if the report is not related to technical issues with the system. [\(02:40:37.440\)](#)

Representative DeGroot commented that some of the grievances being presented today are not in the scope of the Interim Rules Review Committee and suggested such concerns should be taken to the Medical Marijuana Oversight Committee, which also meets during the Interim. [\(02:42:53.140\)](#)

Representative Muckey said today's testimony did not include a clear plan to address the issues involving the Metrc system and there needs to be a plan developed and implemented. [\(02:43:22.560\)](#)

Senator Howard moved, seconded by Senator Mehlhaff, that the review of the rules proposed by the Department of Health is complete. Motion prevailed on a roll call vote with 4 AYES and 2 NAYS. Voting AYE: DeGroot, Mehlhaff, Howard, and Hansen. Voting NAY: Larson and Muckey. (02:44:00.820)

South Dakota Housing Development Authority: Adopt and amend rules to:

- Establish a clear process for the application, approval, and disbursement of loans for the expansion of school districts located adjacent to military installations; and
- Clarify the distinction between housing infrastructure loans and loans specifically for school construction or expansion that originate from the same South Dakota Housing Infrastructure Fund.

Mr. Chas Olson, South Dakota Housing Development Authority, reviewed the proposed rules which were prompted by the passage of [Senate Bill 6](#) by the 2025 Legislature. [\(02:46:55.860\)](#)

Public Comments

Ms. Julie Johnson, Homes for South Dakota, testified in support of the rules as presented. She said there are likely other potential applications for the housing infrastructure loan fund, and she appreciated the agency's efforts in making good use of the moneys. [\(02:51:31.140\)](#)

Senator Mehlhaff moved, seconded by Senator Howard, that the review of the rules proposed by the South Dakota Housing Development Authority is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. [\(02:53:27.160\)](#)

Staff Report

Mr. Justin Goetz, Code Counsel, advised the committee that pursuant to SDCL [1-26A-1](#), he has administratively revised [article 47:10](#) of the Administrative Rules of South Dakota, effective July 7, 2025, to note that the rules were now obsolete. Article 47:10 pertained to the Department of Labor and Regulation's now-defunct employee retirement plan which was repealed when [Senate Bill 9](#) was passed during the 2020 legislative session.

Mr. Goetz also told members he stands ready to assist with any recommendations they have for statutory revisions to administrative rules. Formal action is required for any bill that would be introduced as a committee bill. [\(02:54:14.360\)](#)

Public Comments: General Purposes

No additional public comments were received.

Adjournment

Representative Muckey moved, seconded by Senator Mehlhaff, that the meeting be adjourned. Motion prevailed on a unanimous voice vote of those members in attendance. [\(02:56:37.700\)](#)

Vice Chair Howard adjourned the meeting at 12:56 p.m. (CT).