



2026 South Dakota Legislature

Senate Bill 185

Introduced by: **Senator Larson**

1 **An Act to amend the process by which moneys are distributed from the employer's**
 2 **investment in South Dakota's future fund.**

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

4 **Section 1. That § 61-5-29.1 be AMENDED:**

5 **61-5-29.1.** There is ~~hereby~~ created in the state treasury ~~a special revenue fund~~
 6 ~~to be known as the employer's investment in South Dakota's future fund. Moneys in the~~
 7 ~~fund must be used for purposes related to, to be administered by the Governor's Office of~~
 8 Economic Development, for the purpose of making awards for research and or economic
 9 development for the projects in this state.

10 The employer's investment in South Dakota's future fund is continuously
 11 appropriated to the Governor's Office of Economic Development.

12 For purposes of this section, § 61-5-29.3, and sections 3 to 6, inclusive, of this Act,
 13 "a research or economic development project" means:

14 (1) Research or equipment required as part of key industries or industries determined
 15 to be viable through an economic base analysis for the state of South Dakota or a
 16 specific community;

17 (2) Scholarships to postsecondary educational institutions operated by the Board of
 18 Regents or the South Dakota Board of Technical Education, provided that the
 19 scholarships are for programs that prepare a student for a career field available in
 20 this state;

21 (3) Workforce development, apprentice programs, workforce trainings, workforce
 22 recruitment, or career and technical education programs offered through a school
 23 district, accredited nonpublic school, or institution operated by the Board of
 24 Regents or the South Dakota Board of Technical Education;

25 (4) The development of infrastructure required to support economic development in
 26 this state;

- 1 (5) Projects that support business retention or expansion;
- 2 (6) Recruiting out-of-state workers to move to and work in a career field available in
- 3 this state; and
- 4 (7) Supporting other organizations or entities that support economic development
- 5 projects that may receive moneys from the fund.

6 **Section 2. That § 61-5-29.3 be AMENDED:**

7 **61-5-29.3.** The Governor's Office of Economic Development shall report to ~~either~~
8 the Joint Committee on Appropriations ~~or the Interim Committee on Appropriations~~ and
9 the Government Operations and Audit Committee on a biannual basis the following for
10 each award or grant made from the fund:

- 11 (1) The name of the recipient and the amount of the award or grant;
- 12 (2) The location of the recipient;
- 13 (3) The research or economic development purpose being funded;
- 14 (4) The measures being used to determine the economic impact of the award or grant;
- 15 and
- 16 (5) The number of jobs created or retained, if any.

17 **Section 3. That a NEW SECTION be added to chapter 61-5:**

18 If an applicant for an award from the employer's investment in South Dakota's
19 future fund is a business, the applicant must submit a business plan to the Governor's
20 Office of Economic Development before the Governor may award the applicant any
21 moneys from the fund. The applicant's business plan must include:

- 22 (1) The goods or services to be offered by the applicant;
- 23 (2) A description of the types of jobs required to offer the goods or services provided,
- 24 the educational requirement for each type of job, and the compensation package
- 25 to be offered to individuals employed to perform each type of job;
- 26 (3) The accounting practices employed by the business; and
- 27 (4) Other private or public funding received by the applicant.

28 **Section 4. That a NEW SECTION be added to chapter 61-5:**

29 Moneys from the employer's investment in South Dakota's future fund may be
30 awarded only to reimburse the actual cost of the research or economic development
31 project.

- 1 Before any moneys may be expended from the fund, the applicant shall:
- 2 (1) Sign an agreement with the Governor's Office of Economic Development;
- 3 (2) Provide an itemized invoice of all expenditures made by the applicant required in
- 4 furtherance of the project and documentation demonstrating proof of payment;
- 5 and
- 6 (3) Provide documentation demonstrating that the applicant has received a matching
- 7 commitment or an in-kind consideration for a benefitted city, county, local
- 8 industrial development corporation, as defined in § 9-27-37, chamber of
- 9 commerce, nonprofit corporation, or other development organization or capital
- 10 investment.
- 11 Any agreement executed pursuant to subdivision (1) of this section is open to
- 12 public inspection and must be posted on the state's website.

13 **Section 5. That a NEW SECTION be added to chapter 61-5:**

14 Before the Governor may approve the award of moneys from the employer's

15 investment in South Dakota's future fund, the Governor's Office of Economic Development

16 shall provide a detailed recommendation for the award to the Governor. Upon receiving

17 approval for the award from the Governor, the commissioner of the Governor's Office of

18 Economic Development and the applicant must sign the agreement required, pursuant to

19 section 4 of this Act.

20 Each recommendation for an award provided pursuant to this section is open to

21 public inspection and must be posted on the state's website. Any information in the

22 recommendation that constitutes trade secrets or other sensitive or privileged information

23 is not open to public inspection.

24 **Section 6. That a NEW SECTION be added to chapter 61-5:**

25 The Governor's Office of Economic Development shall promulgate rules, pursuant

26 to chapter 1-26, establishing:

- 27 (1) The process by which an individual or entity applies for an award from the
- 28 employer's investment in South Dakota's future fund;
- 29 (2) The methods for assessing or estimating the economic impact, including the
- 30 potential investment-to-impact ratio, that a research project or economic
- 31 development opportunity will have on the state;
- 32 (3) The contractual provisions that must be included in the agreement signed by the
- 33 applicant and the Governor's Office of Economic Development, including:

- 1 (a) Performance expectations;
2 (b) A schedule for providing performance progress reports to the Governor's
3 Office of Economic Development;
4 (c) A conflict-of-interest policy; and
5 (d) Other contractual provisions that provide for the general terms and
6 conditions of the agreement;
7 (4) The criteria for determining how a research project or economic development
8 opportunity is recommended to the Governor for an award from the fund;
9 (5) Any requirements that the individual or entity applying for an award must meet in
10 order to receive the award;
11 (6) The documentation required to demonstrate:
12 (a) Proof of payment for all expenditures for which the applicant seeks
13 reimbursement; and
14 (b) That the applicant has received a matching commitment or an in-kind
15 consideration, pursuant to section 4 of this Act;
16 (7) The process by which an award is disbursed; and
17 (8) The process by which any moneys awarded from the fund are returned to the fund
18 in the event of a change in the project's circumstances, the applicant's failure to
19 meet the established performance expectations, or the project's failure or
20 relocation outside of the state.