Minutes: House State Affairs   Wednesday, February 04, 2026 3:30 PM

Roll Call
Present: Rep. Bahmuller, Rep. Emery, Rep. Gosch, Rep. Hansen, Rep. Healy,
                Rep. Heinemann, Rep. Jamison, Rep. Lems, Rep. Reisch, Rep. Schaefbauer,
                Rep. Overweg, and Rep. Odenbach
Excused: Rep. Soye

The meeting was called to order by Representative Odenbach

<u>MOTION:</u>   **TO APPROVE THE MINUTES OF MONDAY, FEBRUARY 02ND**

Moved by: Gosch
Second by: Healy
Action: Prevailed by voice vote

HB 1185 :   require that a voter use a black ink ballpoint pen when marking an optical scan ballot.

Presented by: Representative Logan Manhart

<u>MOTION:</u>   **TO TABLE HB 1185**

Moved by: Overweg
Second by: Lems
Action: Prevailed by Majority Members Elect (12-0-1-0)

Voting Yes: Bahmuller, Emery, Gosch, Hansen, Healy, Heinemann, Jamison, Lems,
                Reisch, Schaefbauer, Overweg, and Odenbach

Excused: Soye

HB 1005 :   provide a sales and use tax exemption for goods and services related to data center operations.

Presented by: Representative Kent Roe
Proponents: Steve DelBianco, NetChoice (Handout(s) #1, 2)
              Jay Grabow, Self
              Matt McCaulley, Big Watt Digital, LLC (Handout(s) #3)
              Nick Phillips, Applied Digital Corporation
              Kevin Kouba, Otter Tail Power Company
              Michael Bockorny, Aberdeen Area Chamber of Commerce
              Mitch Rave, Greater Sioux Falls Chamber of Commerce
              Doug Abraham, South Dakota Retailers Association
              Travis Schaunaman, Self
              Steve Willard, South Dakota Electric Utility Companies
              Scott Larson, Self
              Ryan Budmayr, South Dakota Chamber of Commerce & Industry
              Gary Dathe, American Legion Post 137
              Garth Wadsworth, Elevate Rapid City
              Michael Anvar, Gemini Family Office
              Jeremy Chicoine, Agar-Blunt-Onida School District

Opponents: Erik Oftedahl, Self
               Mary Nosbush, Self
               Chet Ellsworth, Self
               Michelle Oftedahl, Self
               Melissa McCauley, Dakota Rural Action
               Representative Dylan Jordan
               Peter Fahlberg, Self
               Austin Adee, Self
               Sara Steever, Self
               Zachary Thompson, Myself
               Suzanne Pratt, Self
               Michael Boyle, Self

MOTION: **AMEND HB 1005**

                                                                                    1005B

On page 2, line 26, of the Introduced bill, delete " fifty years after the qualifying date" and insert ":
(1) Ten years after the qualifying date if:
(a) The cost of the initial construction, and of the initial purchase and installment of computer software and enterprise information technology equipment, for the data center exceeds fifty million dollars but does not exceed two hundred fifty million dollars; and
(b) The number of permanent full-time employees of the data center is at least ten but does not exceed twenty-four;
(2) Twenty-five years after the qualifying date if:
(a) The cost of the initial construction, and of the initial purchase and installment of computer software and enterprise information technology equipment, for the data center exceeds two hundred fifty million dollars but does not exceed seven hundred fifty million dollars; and
(b) The number of permanent full-time employees of the data center is at least twenty-five but does not exceed fifty; and
(3) Ten years after the qualifying date if:
(a) The cost of the initial construction, and of the initial purchase and installment of computer software and enterprise information technology equipment, for the data center exceeds seven hundred fifty million dollars; and
(b) The number of permanent full-time employees of the data center is at least fifty"
On page 2, line 27, of the Introduced bill, after "date." insert "
For purposes of this section, the minimum thresholds under this section for cost of the initial construction, and of the initial purchase and installation of computer software and enterprise information technology equipment must be met within five years of the qualifying date of the data center. If the minimum thresholds under this section are not met, the Department of Revenue may impose a fine on the data center in an amount equal to the taxes exempt under this section."
On page 3, line 18, of the Introduced bill, delete " fifty years after the qualifying date" and insert ":
(1) Ten years after the qualifying date if:
(a) The cost of the initial construction, and of the initial purchase and installation of computer software and enterprise information technology equipment, for the data center exceeds fifty million dollars but does not exceed two hundred fifty million dollars; and
(b) The number of permanent full-time employees of the data center is at least ten but does not exceed twenty-four;
(2) Twenty-five years after the qualifying date if:

(a) The cost of the initial construction, and of the initial purchase and installation of computer software and enterprise information technology equipment, for the data center exceeds two hundred fifty million dollars but does not exceed seven hundred fifty million dollars; and
(b) The number of permanent full-time employees of the data center is at least twenty-five but does not exceed fifty; and
(3) Ten years after the qualifying date if:
(a) The cost of the initial construction, and of the initial purchase and installation of computer software and enterprise information technology equipment, for the data center exceeds seven hundred fifty million dollars; and
(b) The number of permanent full-time employees of the data center is at least fifty"
On page 3, line 19, of the Introduced bill, after "date." insert "
For purposes of this section, the minimum thresholds under this section for cost of the initial construction, and of the initial purchase and installation of computer software and enterprise information technology equipment must be met within five years of the qualifying date of the data center. If the minimum thresholds under this section are not met, the Department of Revenue may impose a fine on the data center in an amount equal to the taxes exempt under this section."

Moved by: Jamison
Second by: Reisch
Action: Failed by voice vote

MOTION: DEFER HB 1005 TO THE 41ST LEGISLATIVE DAY

Moved by: Schaefbauer
Second by: Hansen
Action: Was not acted on.

MOTION: SUBSTITUTE MOTION: WITHOUT RECOMMENDATION HB 1005

Moved by: Emery
Second by: Bahmuller
Action: Failed by Majority Members Elect (5-7-1-0)

Voting Yes: Bahmuller, Emery, Healy, Jamison, and Reisch

Voting No: Gosch, Hansen, Heinemann, Lems, Schaefbauer, Overweg, and Odenbach

Excused: Soye

Revert to previous motion

MOTION: DEFER HB 1005 TO THE 41ST LEGISLATIVE DAY

Moved by: Schaefbauer
Second by: Hansen
Action: Prevailed by Majority Members Elect (9-3-1-0)

Voting Yes: Bahmuller, Gosch, Hansen, Healy, Heinemann, Lems, Schaefbauer, Overweg, and Odenbach

Voting No: Emery, Jamison, and Reisch

Excused: Soye

HB 1116 :   prohibit a video streaming service from transmitting certain advertising during children's programming and provide a penalty therefor.

Presented by: Representative John Shubeck
Proponents: Michael Boyle, Self
                      Lisa Gennaro, Concerned Women for America
Opponents: Doug Abraham, Motion Picture Association Inc.

MOTION: AMEND HB 1116

1116B

On page 1, line 6, of the Introduced bill, delete " for an audience of" and insert " or suitable for"
On page 1, line 7, of the Introduced bill, delete " sixteen" and insert " fourteen, which is rated, or meets a rating equivalent to the following:
(a) TV-Y, TV-Y7, TV-G, or TV-PG, as set forth by the TV Parental Guidelines Monitoring Board; or
(b) G or PG, as set forth by the Motion Picture Association"
On page 1, line 13, of the Introduced bill, after "operator," insert " satellite television operator or its affiliates,"
On page 1, line 23, of the Introduced bill, delete " identity;" and insert " transition; or"
On page 1, line 24, of the Introduced bill, after "products" delete "; or
(7) Sexual behavior"

Moved by: Overweg
Second by: Hansen
Action: Prevailed by voice vote

                      Representative Odenbach, Chairman, announced the intent to recess and
                      continue hearing of HB1116 after house adjournment in Room 413.

MOTION: INTRODUCE A BILL AT THE REQUEST OF THE COMMITTEE ENTITLED:
address issues facing South Dakota.

Moved by: Overweg
Second by: Gosch
Action: Prevailed by Majority Members Elect (10-2-1-0)

Voting Yes: Bahmuller, Gosch, Hansen, Heinemann, Jamison, Lems, Reisch, Schaefbauer,
                      Overweg, and Odenbach

Voting No: Emery and Healy

Excused: Soye

MOTION: INTRODUCE A BILL AT THE REQUEST OF THE COMMITTEE ENTITLED:
promote the future success and development of South Dakota.

Moved by: Overweg

Second by: Gosch
Action: Prevailed by Majority Members Elect (11-2-0-0)

Voting Yes: Bahmuller, Gosch, Hansen, Heinemann, Jamison, Lems, Reisch, Schaefbauer, Soye, Overweg, and Odenbach

Voting No: Emery and Healy

               Representative Odenbach announced recess of the committee.

HB 1116 :   prohibit a video streaming service from transmitting certain advertising during children's programming and provide a penalty therefor.

Presented by: Representative John Shubeck
Proponents: Michael Boyle, Self
              Lisa Gennaro, Concerned Women for America
Opponents: Doug Abraham, South Dakota Retailers Association
              Ryan Budmayr, South Dakota Chamber of Commerce & Industry
              Samantha Chapman, American Civil Liberties Union Foundation Inc

<u>MOTION:</u>   DO PASS HB 1116 AS AMENDED

Moved by: Heinemann
Second by: Gosch
Action: Prevailed by Majority Members Elect (7-5-1-0)

Voting Yes: Gosch, Hansen, Heinemann, Lems, Schaefbauer, Overweg, and Odenbach

Voting No: Bahmuller, Emery, Healy, Jamison, and Reisch

Excused: Soye

<u>MOTION:</u>   ADJOURN

Moved by: Overweg
Second by: Lems
Action: Prevailed by voice vote

Pam Kean, Committee Secretary

                                                   /s/ SCOTT ODENBACH
                                                   Scott Odenbach, Chair