



2026 South Dakota Legislature

Senate Bill 222

Introduced by: **Senator Karr**

1 **An Act to make an appropriation for eligible water, wastewater, storm water, and**
2 **nonpoint source projects and to declare an emergency.**

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

4 **Section 1.** There is appropriated \$10,000,000 from the general fund, to the Department of
5 Agriculture and Natural Resources, for the purpose of providing grants for eligible water,
6 wastewater, storm water, and nonpoint source projects in accordance with the guidance
7 provided in section 2 of this Act.

8 **Section 2.** To be eligible for funding, projects must go through the Department of Agriculture
9 and Natural Resources by way of the Board of Water and Natural Resources and be included
10 in the state water plan. The following funding terms apply to eligible projects under this Act:

11 (1) Eligible applicants may receive a grant award limited to a per person project cost
12 based on the population served by the system or municipality, using the 2020
13 federal census numbers or system service numbers, as determined by the board.
14 The grant limit must apply to each applicant, regardless of the project cost or the
15 number of projects in need of funding, and must be determined as follows:

16 (a) Systems or municipalities with service populations of up to one thousand
17 may receive up to an eighty percent grant, with a maximum project cost
18 for determining the grant amount limited to nine thousand dollars per
19 person per applicant for all eligible projects considered for grants;

20 (b) Systems or municipalities with service populations with at least one
21 thousand and up to two thousand five hundred may receive up to a fifty
22 percent grant with a maximum project cost for determining the grant
23 amount limited to seven thousand dollars per person per applicant for all
24 eligible projects considered for grants; and

25 (c) Systems or municipalities with service populations greater than two
26 thousand five hundred may receive a thirty percent grant with a maximum

1 project cost for determining the grant amount limited to three thousand
2 dollars per person per applicant for all eligible projects considered for
3 grants;

4 (2) Projects addressing regionalization and consolidation, environmental and health
5 regulatory compliance issues, drought resiliency, water availability, nonpoint
6 source improvements, or other significant environmental issues may receive
7 funding above the grant limits in this Act. The department shall evaluate projects
8 and make recommendations to the board for funding based on need and positive
9 long-term benefits of the project; and

10 (3) Eligible engineering studies for projects with long term drought resiliency, drinking
11 water availability issues, or water or wastewater regionalization projects may be
12 awarded a grant in an amount up to one hundred percent of the study cost.

13 The board has discretion to deny funding for lake dredging and projects that do
14 not align with cost effective regionalization.

15 **Section 3.** The secretary of the Department of Agriculture and Natural Resources shall
16 approve vouchers and the state auditor shall draw warrants to pay expenditures authorized
17 by this Act.

18 **Section 4.** Any amounts appropriated in this Act not lawfully expended shall revert in
19 accordance with the procedures prescribed in chapter 4-8.

20 **Section 5.** Whereas, this Act is necessary for the support of the state government and its
21 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
22 full force and effect from and after its passage and approval.