



## 2026 South Dakota Legislature

# House Bill 1286

Introduced by: **Representative** Overweg

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 grants or awards for research and or  
 9 ~~economic development for the projects in this state.~~

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

12 (1) Research or equipment required in support of key industries, universities, or  
 13 industries determined to be viable through an economic analysis of this state, a  
 14 specific community, or the research project;

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

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

23 (4) The development of infrastructure required to support economic development in  
 24 this state;

25 (5) Projects that support business retention or expansion; and

1        (6) Recruiting out-of-state workers or projects to move to and work in a career field  
2                    available in this state.

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

4                    **61-5-29.3.** The Governor's Office of Economic Development shall provide a written  
5        report to ~~either the Joint Committee on Appropriations or the Interim Committee on~~  
6        Appropriations, the House Committee on State Affairs, the House Committee on  
7        Commerce and Energy, the Senate Committee on State Affairs, Senate Committee on  
8        Commerce and Energy, and the Government Operations and Audit Committee on  
9        ~~biannual~~ an annual basis the following for each award or grant made from the fund:

- 10        (1) The name of the recipient and the amount of the award or grant;
- 11        (2) The location of the recipient;
- 12        (3) The research or economic development purpose being funded;
- 13        (4) The measures being used to determine the economic impact of the award or  
14                    grant;~~and~~
- 15        (5) The number of jobs created or retained, if any;
- 16        (6) The balance of the fund at the time of reporting;
- 17        (7) The status of the research or economic development purpose; and
- 18        (8) For awards or grants made more than two years prior to the report, any projection  
19                    of jobs created or retained in this state by the recipient of the award or grant  
20                    resulting from the research or economic development purpose since the award or  
21                    grant was made.

22                    Upon the request of the chair of a committee receiving the report, pursuant to this  
23        section, the commissioner of the Governor's Office of Economic Development shall appear  
24        before the committee, to answer questions that the members of the committee may have  
25        on the report.

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

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

- 31        (1) The goods or services to be offered by the applicant;
- 32        (2) A description of:
- 33                    (a) The types of jobs required to offer the goods or services;

- 1           (b) The educational requirement for each type of job; and
- 2           (c) The compensation package to be offered to individuals employed to perform
- 3                   each type of job;
- 4           (3) The accounting practices employed by the business; and
- 5           (4) Other private or public funding received by the applicant.

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

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

10           Before any moneys may be expended from the fund, the applicant shall sign an  
11           agreement with the Governor's Office of Economic Development. If the award from the  
12           fund exceeds one million dollars, the applicant must provide an itemized invoice of all  
13           expenditures made by the applicant required in furtherance of the project and  
14           documentation demonstrating proof of payment before any moneys may be expended  
15           from the fund.

16           Any agreement executed pursuant to this section is open to public inspection and  
17           must be posted on the state's website.

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

19           Before the Governor may approve the award of moneys from the employer's  
20           investment in South Dakota's future fund, the Governor's Office of Economic Development  
21           shall provide a detailed recommendation for the award to the Governor. Upon receiving  
22           approval for the award from the Governor, the commissioner of the Governor's Office of  
23           Economic Development and the applicant must sign the agreement required pursuant to  
24           section 4 of this Act.

25           Each agreement for an award provided pursuant to this section is open to public  
26           inspection and must be posted on the state's website. Any information in the  
27           recommendation that constitutes trade secrets or other sensitive or privileged information  
28           is not open to public inspection. Nothing in this section may be construed to repeal or  
29           otherwise modify any confidentiality requirements found in state law.

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

1           The Governor's Office of Economic Development shall promulgate rules, pursuant  
2 to chapter 1-26, establishing:

3 (1) The process by which an industry is determined to be a key industry for the  
4 purposes of subdivision 61-5-29.1(1);

5 (2) The process by which an individual or entity applies for an award from the  
6 employer's investment in South Dakota's future fund;

7 (3) The methods for assessing or estimating the economic impact, including the  
8 potential investment-to-impact ratio, that a research project or economic  
9 development opportunity will have on the state;

10 (4) The contractual provisions that must be included in the agreement signed by the  
11 applicant and the Governor's Office of Economic Development, including:

12 (a) Performance expectations;

13 (b) A schedule for providing performance progress reports to the Governor's  
14 Office of Economic Development;

15 (c) A conflict-of-interest policy; and

16 (d) Other contractual provisions that provide for the general terms and  
17 conditions of the agreement;

18 (5) The criteria for determining how a research project or economic development  
19 opportunity is recommended to the Governor for an award from the fund;

20 (6) Any requirements that the individual or entity applying for an award must meet in  
21 order to receive the award;

22 (7) If the award from the fund exceeds one million dollars, the documentation required  
23 to demonstrate proof of payment for all expenditures for which the applicant seeks  
24 reimbursement;

25 (8) The process by which an award is disbursed; and

26 (9) The process by which any moneys awarded from the fund are returned to the fund  
27 in the event of a change in the project's circumstances, the applicant's failure to  
28 meet the established performance expectations, or the projects failure or relocation  
29 outside of the state.