



## 2026 South Dakota Legislature

# Senate Bill 231

Introduced by: **Senator Duhamel**

1 **An Act to create the water infrastructure development fund, to provide an**  
 2 **appropriation, to provide for the awarding of grants and loans from the fund**  
 3 **for certain rural water projects and to declare an emergency.**

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

5 **Section 1. That a NEW SECTION be added to chapter 46A-1:**

6 There is created the water infrastructure development fund. This fund consists of  
 7 moneys from appropriations of the Legislature, federal grants for projects on the Bureau  
 8 of Reclamation rural water projects list, interest on investments, and principal and interest  
 9 on loans made from the fund. Expenditures from the fund are continuously appropriated  
 10 and must be used for the construction, planning, and development of rural water projects  
 11 in the state.

12 The Board of Water and Natural Resources may award a grant from the fund. A  
 13 grant under this section may not exceed ten percent of the construction cost, as estimated  
 14 by the board. The board may also provide a loan for a project, provided the loan does not  
 15 exceed fifty percent of the construction cost, as estimated by the board.

16 The board, in rulemaking pursuant to chapter 1-26, shall establish criteria for the  
 17 selection of water projects to receive loans or grants from the fund and for the terms,  
 18 conditions, and administration of the loans and grants.

19 **Section 2.** The state treasurer shall transfer \$3,000,000 from the general fund to the water  
 20 infrastructure development fund, created in section 1 of this Act.

21 **Section 3.** Whereas, this Act is necessary for the support of the state government and its  
 22 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in  
 23 full force and effect from and after its passage and approval.