

2026 South Dakota Legislature

Senate Bill 231**AMENDMENT 231A
FOR THE INTRODUCED BILL**

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 must be budgeted through the general appropriation bill and must be used for the
11 construction, planning, and development of rural water projects 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.