



2026 South Dakota Legislature
House Bill 1286
ENROLLED

AN ACT

ENTITLED An Act to amend the process by which moneys are distributed from the employer's investment in South Dakota's future fund.

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

Section 1. That § 61-5-29.1 be AMENDED:

61-5-29.1. There is created in the state treasury the employer's investment in South Dakota's future fund, to be administered by the Governor's Office of Economic Development, for the purpose of making grants or awards for research or economic development projects in this state.

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

- (1) Research or equipment required in support of key industries, universities, or industries determined to be viable through an economic analysis of this state, a specific community, or a research project;
- (2) A scholarship for any program that prepares a student for a career field available in this state and is offered through:
 - (a) A public institution of higher education under the jurisdiction of the Board of Regents or the South Dakota Board of Technical Education; or
 - (b) A nonpublic or tribal institution of higher education accredited by an accrediting agency recognized by the United States Department of Education;
- (3) Workforce development, apprentice programs, workforce trainings, workforce recruitment, or career and technical education programs offered through:
 - (a) A school district;
 - (b) An accredited nonpublic secondary school;
 - (c) A state agency;

- (d) A public institution of higher education under the jurisdiction of the Board of Regents or the South Dakota Board of Technical Education; or
 - (e) A nonpublic or tribal institution of higher education accredited by an accrediting agency recognized by the United States Department of Education;
- (4) The development of infrastructure required to support economic development in this state;
 - (5) Projects that support business retention or expansion; and
 - (6) Recruiting:
 - (a) Out-of-state projects to this state; or
 - (b) Out-of-state workers to move to and work in a career field available in this state.

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

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

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

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

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

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

- (1) The goods or services to be offered by the applicant;
- (2) A description of:
 - (a) The types of jobs required to offer the goods or services;
 - (b) The educational requirement for each type of job; and
 - (c) The compensation package to be offered to individuals employed to perform each type of job;
- (3) The accounting practices employed by the business; and
- (4) Other private or public funding received by the applicant.

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

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

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

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

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

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

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

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

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

- (1) The process by which an industry is determined to be a key industry for the purposes of subdivision 61-5-29.1(1);
- (2) The process by which an individual or entity applies for an award from the employer's investment in South Dakota's future fund;
- (3) The methods for assessing or estimating the economic impact, including the potential investment-to-impact ratio, that a research project or economic development opportunity will have on the state;
- (4) The contractual provisions that must be included in the agreement signed by the applicant and the Governor's Office of Economic Development, including:
 - (a) Performance expectations;
 - (b) A schedule for providing performance progress reports to the Governor's Office of Economic Development;
 - (c) A conflict-of-interest policy; and
 - (d) Other contractual provisions that provide for the general terms and conditions of the agreement;
- (5) The criteria for determining how a research project or economic development opportunity is recommended to the Governor for an award from the fund;
- (6) Any requirements that the individual or entity applying for an award must meet in order to receive the award;
- (7) If the award from the fund exceeds one million dollars, the documentation required to demonstrate proof of payment for all expenditures for which the applicant seeks reimbursement;
- (8) The process by which an award is disbursed; and
- (9) The process by which any moneys awarded from the fund are returned to the fund in the event of a change in the project's circumstances, the applicant's failure to

meet the established performance expectations, or the projects failure or relocation outside of the state.

An Act to amend the process by which moneys are distributed from the employer's investment in South Dakota's future fund.

I certify that the attached Act originated in
the:
House as Bill No. 1286

Received at this Executive Office
this ____ day of _____,
2026 at _____ M.

Chief Clerk of the House

By _____
for the Governor

Speaker of the House

The attached Act is hereby
approved this ____ day of
_____, A.D., 2026

Attest:

Chief Clerk of the House

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

President of the Senate

Attest:

Filed _____, 2026
at _____ o'clock __ M.

Secretary of the Senate

Secretary of State

House Bill No. 1286
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State