

Draft Interim Committee Minutes Rules Review

The four hundred forty-second meeting of the Interim Rules Review Committee (IRRC) was called to order by Representative Jon Hansen, Chair, at 10:00 a.m. (CT) on June 9, 2026, in Room 414 at the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members present: Representatives Jon Hansen, Chair, Roger DeGroot, and Erik Muckey; and Senators Taffy Howard, Vice Chair, Liz Larson (remote), and Jim Mehlhaff. Staff members present were Justin Goetz, Code Counsel; Kelly Thompson, Legislative Editor; and Dilyn Tramp, IT Support Specialist.

NOTE: For the purpose of continuity, the following minutes are not necessarily in chronological order. All referenced documents distributed at the meeting are hyperlinked to the document on the Legislative Research Council website. This meeting was live streamed. Each section contains a hyperlink to the time stamp pertaining to that item in the archived live stream available at sdlegislature.gov.

Approval of Minutes

MOTION: TO APPROVE THE [MINUTES OF THE TUESDAY, MAY 5, 2026, MEETING](#)

Moved by: Mehlhaff

Second by: DeGroot

Action: Prevailed by voice vote

Rules Reviewed

Department of Social Services: Amend rules to update the TANF payment standard by approximately 6.4 percent and to update federal medical services eligibility standards that are reflected in rule.

Mr. Greg Tishkoff, Department of Social Services, reviewed the proposed rules, the majority of which are annual federal updates. [\(01:27.980\)](#)

Representative Muckey asked whether the current standard benefit amount listed in ARSD 67:46:04:13 was also a federal standard. **Mr. Matt Althoff, Secretary, Department of Social Services,** confirmed that it was. [\(04:56.620\)](#)

Noting that last year the TANF budget was cut by ten percent and supplemented by reserve funds, Senator Howard requested clarification on funding sources going forward and the impact on South Dakota's maintenance of effort (MOE) for the program. Mr. Althoff noted that additional general funds were added to the budget to support TANF and that the department continues to monitor the financial needs of the program and the people who receive benefits from it. [\(05:51.820\)](#)

In response to Senator Howard on how much South Dakota is currently above the MOE, Mr. Althoff said he could not provide that information right now but should be able to include the numbers in the department's Letter of Intent when it appears before the Joint Committee on Appropriations. [\(09:55.960\)](#)

Representative Muckey moved, seconded by Senator Mehlhaff, that the review of the rules proposed by the Department of Social Services is complete. [\(10:59.820\)](#)

Senator Howard announced she would not be supporting the motion as the state should not be operating above MOE, and welfare spending should be reduced not increased. In response to her comments that the Joint Committee on Appropriations had made a deal for the program's funding package, Representative Muckey countered that no deal had been made and the committee had simply made a funding decision. [\(12:42.220\)](#)

Both Senator Howard and Representative Muckey serve on the Joint Committee on Appropriations.

Motion prevailed on a roll call vote with 4 AYES and 2 NAYS. Voting AYE: DeGroot, Larson, Mehlhaff, and Muckey. Voting NAY: Howard and Hansen. ([16:30.960](#))

Department of Social Services: Amend and adopt rules to:

- Update hospital reimbursement methodologies including inpatient and outpatient hospital services for both in-state and out-of-state hospitals to more closely align with industry standards;
- Repeal rules that are duplicative of federal regulation or other rules; and
- Make style and form changes.

Mr. Greg Tishkoff, Department of Social Services, reviewed the proposed rules which aim to clean up and modernize the department's rules in this area. He advised committee members that the intent had been to bring the rules before the IRRC last year but the department had withdrawn them to allow more time to meet with interested parties and find common ground. ([17:26.400](#))

Mr. Althoff thanked the IRRC for allowing multiple meetings so the department and providers could collaborate on the changes, saying the current methodology has been in place since 1997. He said he also appreciated working with the Joint Committee on Appropriations and their work group to help arrive at the proposed rule changes. ([23:59.820](#))

Senator Howard recalled there was some controversy over these methodology changes during the 2026 Legislative Session and wondered how the proposed rules would impact entities like LifeScape and Black Hills Works. **Ms. Heather Peterman, Department of Social Services**, explained that the rule package does not change the methodology for inpatient hospitals like LifeScape. Mr. Althoff then advised members that the department last fall co-authored a memorandum of understanding with LifeScape. ([31:08.990](#))

Representative Muckey asked if any concerns had been expressed by South Dakota's neonatal intensive care units (NICUs) over the proposed changes. Ms. Peterman replied that positive feedback was received from both NICUs and behavioral health units as the changes allow for more robust payout for those services. ([33:02.210](#))

Responding to Representative Muckey as to whether the payout information would be available online, Ms. Peterman confirmed the base rates and conversion factors will be published on the department's website so all providers can access and understand them. ([34:11.110](#))

Representative Muckey wondered if anyone would be negatively impacted by the changes. Mr. Althoff said a handful of hospitals could be impacted on the outpatient side. ([35:52.770](#))

At Representative DeGroot's request, Mr. Althoff explained how hospitals are classified as critical access hospitals and the guidelines for reclassification. The question was posed because Representative DeGroot commented that his local hospital would be losing funds with the changes in methodology. ([36:42.570](#))

Noting the costs related to the change in methodology, Senator Howard asked at what point should facilities be asked to have a "little skin in the game" in terms of funding. Mr. Althoff responded that cost coverage for a major hospital is moving from 80 percent to 83 percent, which means they still have skin in the game. ([41:33.770](#))

Senator Howard inquired as to how the department will ensure that the general public can understand the information the department will post on its website. Mr. Althoff assured her that the department's goal is to be transparent with the information and provide it in a means that the public can readily understand. ([43:21.990](#))

Senator Mehlhaff and Representative Muckey thanked the department for the months and years of effort in trying to reach a transparent and sustainable process.

Senator Mehlhaff moved, seconded by Representative Muckey, that the review of the rules proposed by the Department of Social Services is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (45:09.910)

Department of Game, Fish and Parks: Amend a rule to increase the Black Hills elk hunting season length in Unit BHE-4B from October 15-31 and December 1-16 to October 1-31 and December 1-16.

Mr. Tom Kirschenmann, Department of Game, Fish and Parks, reviewed the proposed rule which is the result of a public petition brought to the Game, Fish and Parks Commission. (49:25.310)

Senator Mehlhaff asked how the change in elk hunting seasons will benefit landowners or the agency. Mr. Kirschenmann responded that the department has worked closely with the landowners due to depredation issues and the change will provide better herd management in that area. (52:45.050)

Representative Muckey moved, seconded by Senator Mehlhaff, that the review of the rule proposed by the Department of Game, Fish and Parks is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (54:09.690)

South Dakota Board of Accountancy (Department of Labor and Regulation): Amend rules to clarify the definition for education, experience, and issuing a license to an applicant licensed by another state.

Ms. Nicole Kasin, South Dakota Board of Accountancy, reviewed the proposed rules which were prompted by the passage of [House Bill 1035](#) by the 2026 South Dakota Legislature. (55:13.230)

Senator Howard requested a breakdown of the proposed changes and wondered how the board would ensure that standards were not being lowered. Ms. Kasin explained the options for individuals seeking licensure in South Dakota and said the changes were part of a national movement to provide better licensing opportunities. (56:38.590)

Senator Mehlhaff asked if the difficulty of the test remains the same, regardless of the degree level of the applicant. Ms. Kasin confirmed that it stays the same. (59:31.090)

Representative Muckey moved, seconded by Representative DeGroot, that the review of the rules proposed by the South Dakota Board of Accountancy (Department of Labor and Regulation) is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (01:01:37.970)

South Dakota Division of Insurance (Department of Labor and Regulation): Amend rules to update the sources referenced in rule and incorporate the 2026 Medicare Supplement coverage amounts set by the federal government.

Ms. Lisa Harmon, Division of Insurance, reviewed the proposed rules, some of which are updated annually to ensure that all parties are using the most current resources. (01:03:20.270)

Representative Muckey moved, seconded by Representative Hansen, that the review of the rules proposed by the South Dakota Division of Insurance (Department of Labor and Regulation) is complete. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. (01:07:01.410)

Staff Report

Mr. Justin Goetz, Code Counsel, presented for the committee's approval a revised Form 14 - Regulatory Impact Analysis to replace the current Form 14 - Small Business Impact Statement to be filed by agencies when promulgating rules. The update is the result of the passage of [Senate Bill 133](#) by the 2026 South Dakota Legislature. [\(01:07:53.250\)](#)

Representative Muckey moved, seconded by Senator Howard, that the Form 14 - Regulatory Impact Analysis be approved for use as presented. Motion prevailed on a roll call vote with 6 AYES. Voting AYE: DeGroot, Larson, Mehlhaff, Muckey, Howard, and Hansen. [\(01:14:18.810\)](#)

Mr. Goetz requested the committee's input as to how and when to apply the new statutory rulemaking procedures in [Senate Bills 56, 57](#), and 133, all of which take effect on July 1, 2026. The question is whether to apply the procedures to rule packets served on LRC beginning on July 1, 2026, and going forward or to all rule packets that have been submitted to the LRC but have yet to be brought before the IRRC for consideration (classified as "outstanding" packets). [\(01:15:07.210\)](#)

Representative DeGroot asked if the procedures were to apply to outstanding packets, would the agency have to go back and re-do the packet to meet these standards. Mr. Goetz clarified that the agency would only have to do an updated Form 14 in the packet. [\(01:19:17.190\)](#)

Upon hearing that none of the outstanding packets had been submitted before the bills were signed into law, Senator Howard commented that as agencies knew the procedural changes were coming, they should be ready to follow them. [\(01:21:19.570\)](#)

Senator Mehlhaff asked if the Supreme Court would have to weigh in on whether an agency should have to re-do its work if they submitted the packet prior to the bills becoming law, as the agency was following the process that was currently in place. Mr. Goetz said the laws are largely procedural and he did not think it would be likely that this issue would go before the Court. [\(01:22:15.930\)](#)

Representative Muckey wanted to know if there were any packets currently in the process that have statutory deadlines to which they must adhere. Mr. Goetz confirmed that some packets do have some urgency to having their rules approved by the IRRC at its July 14, 2026, meeting. [\(01:24:55.620\)](#)

It was the consensus of the committee that the new procedures should apply to all rulemakings that are outstanding on July 1, 2026, and any rulemakings brought thereafter. LRC staff were advised to make agency rule contacts aware of the decision. [\(01:28:18.760\)](#)

Public Comments: General Purposes

No additional public comments were received.

Adjournment

Senator Howard moved, seconded by Representative Muckey, that the meeting be adjourned. Motion prevailed on a unanimous voice vote of all members present. [\(01:29:36.720\)](#)

Chair Hansen adjourned the meeting at 11:30 a.m. (CT).