AN ACT

ENTITLED, An Act to revise certain provisions related to the Department of Labor and Regulation.

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

Section 1. That § 10-55A-7 be amended to read as follows:

10-55A-7. A recovery refund shall be paid to an eligible taxpayer on warrants drawn by the state auditor on vouchers approved by the secretary of the Department of Labor and Regulation.

Section 2. That § 10-55A-9 be amended to read as follows:

10-55A-9. As used in this chapter, the term, secretary, means the secretary of labor and regulation.

Section 3. That § 36-14-5 be amended to read as follows:

36-14-5. The Board of Barber Examiners may employ inspectors, clerks, and other assistants, as the board deems necessary to carry out the provisions of this chapter.

Section 4. That § 36-15-6 be amended to read as follows:

36-15-6. The commission may employ personnel as it deems necessary to administer and enforce the provisions of this chapter. The commission may pay the travel and subsistence expenses of each employee pursuant to the provisions of § 3-9-2. However, no employee of the commission may be connected or associated in any manner with any school.

Section 5. That § 36-25-10 be amended to read as follows:

36-25-10. The commission may employ inspectors and assistants as it deems necessary to administer and enforce the provisions of this chapter.

Section 6. That § 54-3A-17 be amended to read as follows:

54-3A-17. A creditor may, by written agreement with the buyer, refinance the unpaid balance and may contract for and receive a finance charge based on the amount refinanced. Any rebate due to the buyer pursuant to the provisions of § 54-3A-9 if the buyer was prepaying in full on the date of the

refinancing is excluded from the amount to be refinanced. No minimum finance charge, for the purpose of computing this rebate, is allowed to the creditor.

Section 7. That § 58-17E-39 be amended to read as follows:

58-17E-39. Any person subject to registration pursuant to § 58-17E-9 shall prominently and boldly disclose that the product is not insurance. Any advertisements or solicitations made by such a person are subject to the provisions of §§ 58-33A-2 to 58-33A-4, inclusive, and §§ 58-33A-7 to 58-33A-8, inclusive, and §§ 58-33A-10 to 58-33A-12, inclusive. Any administrative rule promulgated pursuant to § 58-33A-7 does not apply to those registered pursuant to the provisions of §§ 58-17E-9, 58-17E-39, 58-17E-41, and 58-17E-45, inclusive, unless specifically referenced in the rule. If any person fails to comply with these provisions or the provisions of §§ 58-17E-9, 58-17E-39, 58-17E-41, and 58-17E-45, inclusive, the director may issue an order to cease and desist pursuant to the provisions of chapter 58-4 and may revoke the registration. Any such action by the director is subject to notice and hearing as provided pursuant to chapter 1-26 and § 58-4-7. A person acting as an agent as defined in chapter 58-30 who sells, solicits, or negotiates a plan or program containing insurance benefits shall meet the licensing and appointment requirements of that chapter if the person is otherwise required to be licensed pursuant to the provisions of chapter 58-30.

Section 8. That § 58-30-115.1 be amended to read as follows:

58-30-115.1. Any licensee meeting the exception under subdivision 58-30-115(2) shall renew his or her license pursuant to § 58-30-121. Nothing in that subdivision requires a licensee who has reached the age of sixty-five prior to July 1, 2006, and, as of July 1, 2006, has been licensed for at least ten years, to meet the continuing education requirements of this chapter.

Section 9. That § 58-30-115.2 be amended to read as follows:

58-30-115.2. Any licensee meeting the exception pursuant to subdivision 58-30-115(3) shall renew the license pursuant to § 58-30-121.

Section 10. That § 58-32-39 be amended to read as follows:

58-32-39. Each broker shall keep in the broker's office a record of each surplus line coverage procured by the broker, including a copy of each daily report, if any; a copy of each certificate issued by the broker; and the following items as may be applicable:

(1) Amount of the insurance;

(2) Gross premium charged;

(3) Return premium paid, if any;

(4) Rate of premium charged upon the several items of property;

(5) Effective date of the contract, and the terms thereof;

(6) Name and address of each insurer on the direct risk and the proportion of the entire risk assumed by such insurer if less than the entire risk;

(7) Name and address of the insured;

(8) Brief general description of the property or risk insured and where located or to be performed; and

(9) Other information as may be required by the director.

A violation of this section is a Class 2 misdemeanor.

Section 11. That § 58-32-40 be amended to read as follows:

58-32-40. The record shall at all times within five years after issuance of the coverage to which it relates be open to examination by the director. A violation of this section is a Class 2 misdemeanor.

Section 12. That § 58-43-16.7 be amended to read as follows:

58-43-16.7. The audit committee shall require the accountant that performs for an insurer any audit required by this chapter to report in a timely manner to the audit committee in accordance with the requirements of AU-C 260, The Auditor's Communication with Those Charged with

Governance, as of January 1, 2015, including:

(1) All significant accounting policies and material permitted practices;

(2) All material alternative treatments of financial information within statutory accounting principles that have been discussed with management officials of the insurer, ramifications of the use of the alternative disclosures and treatments, and the treatment preferred by the accountant; and

(3) Other material written communications between the accountant and the management of the insurer, such as any management letter or schedule of unadjusted differences.

An Act to revise certain provisions related to the Department of Labor and Regulation.

I certify that the attached Act originated in the

HOUSE as Bill No. 1026

_____
Chief Clerk

_____
Speaker of the House

Attest:

_____
Chief Clerk

_____
President of the Senate

Attest:

_____
Secretary of the Senate

House Bill No. 1026
File No. ____
Chapter No. _____

Received at this Executive Office this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

The attached Act is hereby approved this _____ day of _____ , A.D., 20___

_____
Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____ , 20___
at _____ o'clock __ M.

_____
Secretary of State

By _____
Asst. Secretary of State