

# State of South Dakota

NINETY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2017

777Y0624

HOUSE STATE AFFAIRS

ENGROSSED NO. **HB 1157** - 2/22/2017

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Representatives Qualm and Haggar and Senator Greenfield (Brock)

1 FOR AN ACT ENTITLED, An Act to create the agriculture future development subfund, to  
2 provide for its administration, to establish the agriculture future development subcommittee,  
3 and to provide funding for certain programs and projects.

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

5 Section 1. That chapter 1-16G be amended by adding a NEW SECTION to read:

6 The state treasurer shall establish the agriculture future development subfund within the  
7 revolving economic development and initiative fund created pursuant to § 1-16G-3. Interest  
8 earned on money in the subfund shall be deposited in the subfund.

9 Section 2. That chapter 1-16G be amended by adding a NEW SECTION to read:

10 The Board of Economic Development shall administer the agriculture future development  
11 subfund for the purpose of making grants or loans to promote the use of modern technology and  
12 farming practices or promote the use of South Dakota agricultural products at the regental  
13 system or the technical institutes.

14 Section 3. That chapter 1-16G be amended by adding a NEW SECTION to read:



1 In connection with the administration of the agriculture future development subfund, the  
2 Board of Economic Development may, pursuant to chapter 1-26, promulgate rules in  
3 consultation with the Executive Board of the Legislature Research Council to implement the  
4 provisions of sections 1 and 2 of this Act that include:

- 5 (1) Setting the application procedures for applying for loans or grants from the subfund;
- 6 (2) Establishing criteria to determine which applicants may receive loans or grants;
- 7 (3) Governing the use of proceeds of the loans or grants; and
- 8 (4) Establishing criteria for the terms and conditions upon which the loans or grants shall  
9 be made, including the terms of security given, if any, to secure the loans.

10 Section 4. That chapter 1-16G be amended by adding a NEW SECTION to read:

11 An agriculture future development subcommittee shall be appointed to make agriculture  
12 future development funding recommendations to the Board of Economic Development. The  
13 agriculture future development subcommittee shall be within the Governor's Office of Economic  
14 Development, and shall exercise all its prescribed functions, including administrative functions.

15 The membership of the subcommittee shall include:

- 16 (1) Five members of the Board of Economic Development appointed by the chair of the  
17 board;
- 18 (2) Two members appointed by the speaker of the House of Representatives. One  
19 member shall represent a livestock association and one member shall represent a crop  
20 association; and
- 21 (3) Two members appointed by the president pro tempore of the Senate. One member  
22 shall represent a livestock association and one member shall represent a crop  
23 association.

24 The members of the subcommittee provided in subdivisions (2) to (3), inclusive, shall be

1 appointed to four-year terms of office. The initial terms shall be staggered with two members  
2 appointed to two-year terms of office as determined by the speaker and president pro tempore  
3 so that no more than two members' terms expire in any given year. The speaker and president  
4 pro tempore shall confer before making any appointment to ensure no more than one member  
5 is appointed from an association and that all the members representing either the crop  
6 associations or the livestock associations do not expire in the same year. Not all members may  
7 be from the same political party. Any member appointed to fill a vacancy arising from other than  
8 the natural expiration of a term shall serve only the unexpired portion of the term.

9 Section 5. That chapter 1-16G be amended by adding a NEW SECTION to read:

10 In fiscal year 2018, the state treasurer shall transfer from the agriculture future development  
11 subfund the amount available in the subfund, not to exceed three million five hundred thousand  
12 dollars, to the state animal disease research and diagnostic laboratory bond redemption and  
13 operations fund. Each year thereafter, the state treasurer shall annually transfer from the  
14 agriculture future development subfund the sum of three million three hundred fifty thousand  
15 dollars each year to the state animal disease research and diagnostic laboratory bond redemption  
16 and operations fund for the construction, reconstruction, renovation, demolition, and  
17 modernization of facilities and related infrastructure at the State Animal Disease Research and  
18 Diagnostic Laboratory on the campus of South Dakota State University.

19 Section 6. Section 5 of this Act is repealed on the first day of the month following a  
20 determination by the Animal Industry Board that bonds issued for the State Animal Disease  
21 Research and Diagnostic Laboratory are satisfied and paid in full.

22 Section 7. That chapter 1-16G be amended by adding a NEW SECTION to read:

23 If the fees charged by the State Animal Disease Research and Diagnostic Laboratory exceed  
24 the costs of operating the laboratory in any fiscal year, beginning in fiscal year 2021 fifty percent

- 1 of the profit shall be transferred from the animal disease research and diagnostic laboratory
- 2 revolving fund to the agriculture future development subfund.