



2020 South Dakota Legislature

Senate Bill 192

HOUSE ENGROSSED

Introduced by: **Senator Brock Greenfield** at the request of the Office of the Governor

1 **An Act to create the small business economic disaster relief subfund, to provide for**
 2 **the transfer of certain funds into the subfund, to authorize the Economic**
 3 **Development Finance Authority to make a grant to the subfund, to provide**
 4 **for the continuous appropriation of the subfund, and to declare an**
 5 **emergency.**

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

7 **Section 1.** That a NEW SECTION be added:

8 **1-16G-85. Definitions.**

9 Terms used in §§ 1-16G-85 through 1-16G-89 mean:

- 10 (1) "Commissioner," the Commissioner of the Governor's Office of Economic
 11 Development;
 12 (2) "Disaster relief subfund," the small business economic disaster relief subfund
 13 created in § 1-16G-86;
 14 (3) "COVID-19 state of emergency," the COVID-19 outbreak emergency declared by
 15 the Governor as provided in § 34-48A-5, including any extension thereof; and
 16 (4) "Small business," a business enterprise with no more than two hundred fifty full-
 17 time equivalent employees.

18 **Section 2.** That a NEW SECTION be added:

19 **1-16G-86. Disaster relief subfund--Creation--Continuous appropriation.**

20 There is created within the revolving economic development and initiative fund
 21 created by § 1-16G-3 the small business economic disaster relief subfund. Unexpended
 22 money and any interest that may be credited to the subfund shall remain in subfund. Any
 23 money in the subfund is continuously appropriated to the Governor's Office of Economic
 24 Development. The commissioner may accept grants and gifts to the subfund.

1 **Section 3.** That a NEW SECTION be added:

2 **1-16G-87. Disaster relief subfund--Loans.**

3 The commissioner may make loans from the disaster relief subfund to small
4 businesses adversely affected by the COVID-19 state of emergency. The commissioner
5 shall approve loans from the disaster relief subfund upon terms established by the
6 commissioner. Loan proceeds may be used for business purposes as approved by the
7 commissioner. A loan from the disaster relief subfund under this section must meet each
8 of the following criteria:

9 (1) The loan may not exceed seventy-five thousand dollars;

10 (2) The interest rate on the loan must not be at a rate greater than zero percent; and

11 (3) The loan may not include any fee for processing, administering, or servicing of the
12 loan, except in the case of a default by the borrower.

13 **Section 4.** That a NEW SECTION be added:

14 **1-16G-88. Disaster relief subfund--Reporting.**

15 The commissioner shall provide a report at each regular meeting of the Board of
16 Economic Development containing the name of each disaster relief subfund borrower, the
17 amount of the loan, and the maturity date of the loan. The report shall be a public
18 document and shall be posted on the Governor's Office of Economic Development website.

19 **Section 5.** That a NEW SECTION be added:

20 **1-16G-89. Disaster relief subfund loans--Confidentiality.**

21 The meetings and deliberations of the commissioner and the Governor's Office of
22 Economic Development concerning loans from the disaster relief subfund are confidential
23 and exempt from public disclosure, chapter 1-25, and chapter 1-27. Any documentary
24 material or data made or received by the commissioner or the Governor's Office of
25 Economic Development for the purpose of acting upon an application for a loan from the
26 disaster relief subfund or administering the loan, to the extent that such material or data
27 consists of trade secrets or commercial or financial information regarding the operation of
28 such business, are not considered public records, and are exempt from disclosure. Nothing
29 in this section prohibits the disclosure of confidential information to the extent necessary
30 to collect or recoup the loan or the disclosure of confidential information to the Board of
31 Economic Development.

1 **Section 6.** The state treasurer shall transfer the sum of seven million dollars to the disaster
2 relief subfund from the small business credit initiative fund created in § 1-53-15.

3 **Section 7.** The state treasurer shall transfer the sum of one million dollars to the disaster
4 relief subfund from the value-added agriculture subfund created in § 1-53-34.

5 **Section 8.** The state treasurer shall transfer the sum of one million dollars to the disaster
6 relief subfund from the Governor's Office of Economic Development special revenue fund
7 created in § 1-53-7.

8 **Section 9.** The Economic Development Finance Authority may make a grant or gift of up to
9 two million dollars to the disaster relief subfund from the agricultural processing and export
10 fund.

11 **Section 10.** This Act is repealed on July 1, 2025.

12 **Section 11.** Whereas, this Act is necessary for the support of the state government and its
13 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
14 full force and effect from and after its passage and approval.