

# State of South Dakota

NINETY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2017

400Y0583

## CONFERENCE COMMITTEE ENGROSSED NO. **SB 172** - 3/9/2017

Introduced by: The Committee on Appropriations at the request of the Office of the  
Governor

1 FOR AN ACT ENTITLED, An Act to authorize the South Dakota Building Authority to  
2 provide for the construction of and improvements to the State Animal Disease Research and  
3 Diagnostic Laboratory and infrastructure at South Dakota State University, to increase  
4 certain agricultural fees, to transfer certain funds, to make an appropriation, and to declare  
5 an emergency.

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

7 Section 1. That the code be amended by adding a NEW SECTION to read:

8 It is in the public interest that the South Dakota Building Authority contract for the  
9 construction, completion, reconstruction, renovation, demolition, modernization, furnishing and  
10 equipping of facilities and related infrastructure at the State Animal Disease Research and  
11 Diagnostic Laboratory on the campus of South Dakota State University, including buildings,  
12 fixtures, plumbing, water, sewer, electric upgrades, domestic water treatment systems, site  
13 preparation, construction of facilities, improvements to the outside of the facilities, landscaping  
14 the grounds of the facilities, architectural, engineering, and bonding services. The building



1 authority may finance this project, including the issuance of revenue bonds not to exceed fifty  
2 million one hundred thousand dollars, in accordance with this Act and chapter 5-12.

3 Section 2. That the code be amended by adding a NEW SECTION to read:

4 No indebtedness, bond, or obligation incurred or created authorized pursuant to sections 1  
5 to 5, inclusive, of this Act may be or may become a lien, charge, or liability against the state,  
6 nor against the property or funds of the state within the meaning of the Constitution or laws of  
7 South Dakota.

8 Section 3. That the code be amended by adding a NEW SECTION to read:

9 The South Dakota Building Authority may accept any funds obtained from gifts,  
10 contributions, or other sources for the purposes stated in section 1 of this Act.

11 Section 4. That the code be amended by adding a NEW SECTION to read:

12 The Animal Industry Board may make and enter into a lease agreement with the South  
13 Dakota Building Authority and make rental payments under the terms of the lease agreement,  
14 pursuant to chapter 5-12, from appropriations to be made by the Legislature for the payment of  
15 rent to support the construction, completion, reconstruction, renovation, demolition, furnishing,  
16 and equipping of the project authorized in section 1 of this Act, and payment of revenue bonds  
17 issued pursuant to this Act. The state animal disease research and diagnostic laboratory bond  
18 redemption and operations fund, established by section 6 of this Act, shall be used to pay lease  
19 rental amounts to the building authority, as applicable.

20 Section 5. That the code be amended by adding a NEW SECTION to read:

21 Upon receipt of payment of the balance of rental payments made under the terms of any  
22 lease entered into pursuant to section 4 of this Act, the South Dakota Building Authority shall  
23 convey the leased property improvements at the State Animal Disease Research and Diagnostic  
24 Laboratory to South Dakota State University pursuant to § 5-12-15.

1 Section 6. That the code be amended by adding a NEW SECTION to read:

2 There is hereby created the state animal disease research and diagnostic laboratory bond  
3 redemption and operations fund. Interest earned on money in the fund shall be deposited in the  
4 fund. The fund shall be administered by the Animal Industry Board.

5 Section 7. That chapter 13-13 be amended by adding a NEW SECTION to read:

6 The state general fund savings obtained through the state aid to education formula from the  
7 difference between the school general fund levy for agriculture property for taxes payable in  
8 2018 pursuant to §§ 13-13-71, 13-13-72, and 13-13-72.1 and the agriculture property levy  
9 adopted by legislative action for taxes payable in 2018, shall be directed to the state animal  
10 disease research and diagnostic laboratory bond redemption and operations fund. Pursuant to  
11 this section, the savings amount dedicated to the state animal disease research and diagnostic  
12 laboratory bond redemption and operations fund in fiscal year 2018 shall be one million six  
13 hundred fifteen thousand dollars. In fiscal year 2019 and each year thereafter, the savings  
14 amount dedicated from the general fund to the state animal disease research and diagnostic  
15 laboratory bond redemption and operations fund shall be three million three hundred fifty  
16 thousand dollars.

17 Section 8. Section 7 of this Act is repealed on the first day of the fiscal year following a  
18 determination by the Animal Industry Board that bonds issued for the State Animal Disease  
19 Research and Diagnostic Laboratory are satisfied and paid in full.

20 Section 9. That § 39-14-43 be amended to read:

21 39-14-43. An inspection fee established in rules promulgated by the secretary of agriculture  
22 pursuant to chapter 1-26, but not to exceed twenty-four cents per ton, shall be paid on  
23 commercial feeds distributed in this state by the person who distributes the commercial feed to  
24 the consumer subject to the following:

- 1 (1) No fee need be paid on a commercial feed if the payment has been made by a  
2 previous distributor;
- 3 (2) No fee need be paid on customer-formula feeds;
- 4 (3) No fee need be paid on commercial feeds used as ingredients for the manufacture of  
5 commercial feeds provided the fee has been paid by a previous distributor. If the fee  
6 has been paid, credit is given for the payment;
- 7 (4) In the case of a pet food which is distributed in the state only in packages of ten  
8 pounds or less, ~~a biennial~~ an annual fee of ~~fifty~~ ninety-nine dollars per product shall  
9 be paid in lieu of the inspection fee specified above;
- 10 (5) In the case of a specialty pet food which is distributed in the state only in packages  
11 of ten pounds or less, ~~a biennial~~ an annual fee of ~~twenty-five~~ ninety-nine dollars per  
12 product shall be paid in lieu of the inspection fee specified above; and
- 13 (6) The minimum inspection fee shall be twenty dollars per twelve-month period.

14 Section 10. That the code be amended by adding a NEW SECTION to read:

15 An amount equal to seventy-four dollars per product on pet food and eighty-six dollars and  
16 fifty cents per product on specialty pet food, as provided in § 39-14-43, shall be deposited into  
17 the state animal disease research and diagnostic laboratory bond redemption and operations fund  
18 established by section 6 of this Act. The money shall be transferred to the general fund  
19 coinciding with the general fund bond payments for the State Animal Disease Research and  
20 Diagnostic Laboratory, as well as annual maintenance, operations, and repair of the State  
21 Animal Disease Research and Diagnostic Laboratory.

22 Section 11. That § 39-14-45 be amended to read:

23 39-14-45. Fees Any fee collected pursuant to §§ 39-14-40.1, 39-14-43, and 39-14-44 that  
24 is not dedicated to the state animal disease research and diagnostic laboratory bond redemption

1 and operations fund shall be remitted at the end of each month to the state treasurer for deposit  
2 in the feed and remedy fund which is hereby established in the state treasury. ~~This~~ The feed and  
3 remedy fund shall consist of moneys from public and private sources including legislative  
4 appropriations, federal grants, gifts, and the fees received pursuant to this chapter. The feed and  
5 remedy fund shall be maintained separately and be administered by the department in order to  
6 defray the expenses of all activities associated with administering the feed and remedy program.  
7 Expenditures from the feed and remedy fund shall be appropriated through the normal budget  
8 process. Unexpended funds and interest shall remain in the feed and remedy fund until  
9 appropriated by the Legislature.

10 Section 12. That § 39-18-3 be amended to read:

11 39-18-3. Before being distributed in South Dakota, each animal remedy, ~~except any animal~~  
12 ~~remedy that is manufactured and distributed under license from and under the supervision of the~~  
13 ~~United States Department of Agriculture~~, shall be registered by the manufacturer or the person  
14 responsible for distributing ~~such~~ the animal remedy.

15 Section 13. That § 39-18-8 be amended to read:

16 39-18-8. Upon approval by the secretary of agriculture, a copy of the registration of an  
17 animal remedy shall be forwarded to the applicant. All registrations are on a ~~biennial~~ an annual  
18 basis, expiring the thirty-first day of December of the year after the date of registration. ~~A~~  
19 ~~biennial~~ An annual registration fee of ~~twenty-five~~ seventy-five dollars for each product shall be  
20 paid to the secretary upon application for registration.

21 Section 14. That § 39-18-9 be amended to read:

22 39-18-9. All ~~funds collected by the secretary of agriculture under this chapter~~ of the  
23 registration fee paid pursuant to § 39-18-8 on any animal remedy manufactured and distributed  
24 under license from and under the supervision of the United States Department of Agriculture

1 shall be deposited into the state animal disease research and diagnostic laboratory bond  
2 redemption and operations fund and used to retire bonds issued for the State Animal Disease  
3 Research and Diagnostic Laboratory.

4 Twelve dollars and fifty cents of the animal remedy registration fee paid pursuant to § 39-  
5 18-8 on any animal remedy not manufactured and distributed under license from and under the  
6 supervision of the United States Department of Agriculture shall be paid into the feed and  
7 remedy fund established in § 39-14-45. The remaining sixty-two dollars and fifty cents of this  
8 registration fee shall be deposited into the state animal disease research and diagnostic  
9 laboratory bond redemption and operations fund.

10 Section 15. Sections 9 to 14, inclusive, are effective on July 1, 2017.

11 Section 16. There is hereby transferred from the Board of Regents budgeted other funds six  
12 million dollars, or so much thereof as may be necessary, to the state animal disease research and  
13 diagnostic laboratory bond redemption and operations fund established by section 6 of this Act  
14 for the construction, reconstruction, renovation, demolition, and modernization of facilities and  
15 related infrastructure at the State Animal Disease Research and Diagnostic Lab on the campus  
16 of South Dakota State University.

17 Section 17. There is hereby transferred from the livestock disease emergency fund the sum  
18 of two million three hundred thousand dollars, or so much thereof as may be necessary, to the  
19 state animal disease research and diagnostic laboratory bond redemption and operations fund  
20 established by section 6 of this Act for the construction, reconstruction, renovation, demolition,  
21 and modernization of facilities and related infrastructure at the State Animal Disease Research  
22 and Diagnostic Laboratory on the campus of South Dakota State University.

23 Section 18. There is hereby transferred from the feed and remedy fund the sum of three  
24 hundred thousand dollars, or so much thereof as may be necessary, to the state animal disease

1 research and diagnostic laboratory bond redemption and operations fund established by section 6  
2 of this Act for the construction, reconstruction, renovation, demolition, and modernization of  
3 facilities and related infrastructure at the State Animal Disease Research and Diagnostic  
4 Laboratory on the campus of South Dakota State University.

5 Section 19. There is hereby appropriated the sum of eight million six hundred thousand  
6 dollars (\$8,600,000) in other fund expenditure authority, or so much thereof as may be  
7 necessary, to the Animal Industry Board for expenditure of funds from the state animal disease  
8 research and diagnostic laboratory bond redemption and operations fund for the construction,  
9 reconstruction, renovation, demolition, and modernization of facilities and related infrastructure  
10 at the State Animal Disease Research and Diagnostic Laboratory on the campus of South Dakota  
11 State University.

12 Section 20. That the code be amended by adding a NEW SECTION to read:

13 The design and construction of improvements shall be under the general charge and  
14 supervision of the Bureau of Administration as provided in § 5-14-2.

15 Section 21. The executive director of the Animal Industry Board shall approve vouchers and  
16 the state auditor shall draw warrants to pay expenditures authorized by this Act.

17 Section 22. Any amounts appropriated in this Act not lawfully expended or obligated shall  
18 revert in accordance with the procedures prescribed in chapter 4-8.

19 Section 23. Whereas, this Act is necessary for the support of the state government and its  
20 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in  
21 full force and effect from and after its passage and approval.