

AN ACT

ENTITLED, An Act to transfer the value added agriculture subfund from the Governor's Office of Economic Development to the Department of Agriculture.

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

Section 1. That § 1-16G-24 be amended to read as follows:

1-16G-24. Earnings on the revolving economic development and initiative fund may be used for the administrative costs of the Division of Finance of the Governor's Office of Economic Development. Such earnings shall be expended in accordance with the provisions of Title 4 on warrants drawn by the state auditor on vouchers approved by the commissioner of the Governor's Office of Economic Development. Eligible expenses may not exceed total interest earnings during the previous fiscal year prior to the deduction of loan losses for the same fiscal year.

Section 2. Earnings on the value added agriculture subfund may be used by the South Dakota Department of Agriculture for the administrative costs of this program. Such earnings shall be expended in accordance with the provisions of Title 4 on warrants drawn by the state auditor on vouchers approved by the secretary of agriculture. Eligible expenses may not exceed total interest earnings during the previous fiscal year prior to the deduction of loan losses for the same fiscal year.

Section 3. That § 1-16G-25 be repealed.

Section 4. There is created within the rural rehabilitation fund created in § 38-6-1, the value added agriculture subfund. The purpose of the subfund created by this section is to make grants or loans for agricultural development, feasibility studies, or marketing.

Section 5. That § 1-16G-26 be repealed.

Section 6. That § 1-16G-27 be repealed.

Section 7. The Value Added Finance Authority shall administer the value added agriculture subfund, and make grants or loans from the value added agriculture subfund. The value added

agriculture subfund shall be used to develop and promote value added agriculture in South Dakota including the initial or subsequent production, use, or processing of any form of agricultural commodity, product, or by-product in this state.

Section 8. That § 1-16G-28 be repealed.

Section 9. In connection with the administration of the value added agriculture subfund, the Value Added Finance Authority may, pursuant to chapter 1-26, promulgate such rules as it deems necessary to implement the purposes of this Act, including:

- (1) Setting the application procedures for those who apply for loans or grants from the value added agriculture subfund;
- (2) Establishing criteria to determine which applicants will receive such loans or grants;
- (3) Governing the use of proceeds of such loans or grants;
- (4) Establishing criteria for the terms and conditions upon which such loans or grants shall be made, including the terms of security given, if any, to secure such loans; and
- (5) Governing the use of proceeds by lenders of funds advanced to the lenders by the Value Added Finance Authority including the terms and conditions upon which the proceeds shall be loaned to borrowers for the purposes described in this Act.

Section 10. That § 10-47B-149 be amended to read as follows:

10-47B-149. At the beginning of each month, the secretary shall make adjustments to the motor fuel tax fund balance in the following manner:

- (1) Each July transfer an amount to the snowmobile trails' fund equal to the product of multiplying the number of licensed snowmobiles as of July first, times one hundred twenty-five gallons, times the rate of tax provided for motor fuel under this chapter;
- (2) Each July transfer from the amount of motor fuel tax collected from the motor fuel used for nonhighway purposes to the value added agriculture subfund created in section 4 of

this Act one hundred thirty-five thousand dollars;

- (3) Each July transfer from the amount of motor fuel tax collected from the motor fuel used for nonhighway purposes to the Department of Agriculture seventy-five thousand dollars to be used for a grant to the Northern Crops Institute;
- (4) Transfer to the motor fuel tax administration account two percent of the deposits made to the motor fuel tax fund during the preceding month to cover the expenses incurred in administering all motor fuel and special fuel tax laws of this state. On or about August first of each year, the preceding year's remaining motor fuel tax administration account balance, less an amount to provide cash flow within the account, shall be transferred to the state highway fund. The remaining balance is to be calculated by subtracting from the total of monthly deposits, the amount of corresponding expenses. The expense of administering the chapters relating to motor and special fuel taxation shall be paid out of appropriations made by the Legislature;
- (5) Each July transfer from the amount of motor fuel tax collected from the motor fuel used for nonhighway purposes to the coordinated natural resources conservation fund five hundred thousand dollars;
- (6) Each July transfer to the parks and recreation fund an amount equal to the product of multiplying the number of licensed motorized boats as of the previous December thirty-first, times one hundred forty gallons, times the rate of tax provided for motor fuels under this chapter;
- (7) Each July distribute to counties and townships as provided in § 10-47B-149.1 seven hundred thousand dollars;
- (8) Transfer to the member jurisdictions taxes collected under the provisions of the international fuel tax agreement; and

- (9) Transfer the remaining cash balance to the state highway fund.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1049

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1049
File No. _____
Chapter No. _____

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Received at this Executive Office this ____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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

Governor

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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