

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

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HOUSE STATE AFFAIRS ENGROSSED NO. **SB 45**
02/24/2016

Introduced by: The Committee on State Affairs at the request of the Governor's Office of
Economic Development

1 FOR AN ACT ENTITLED, An Act to revise certain provisions of the building South Dakota
2 fund programs.

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

4 Section 1. That § 1-16G-48 be amended to read:

5 1-16G-48. The commissioner of the Bureau of Finance and Management shall authorize and
6 disburse money from the building South Dakota fund for the following purposes:

7 (1) Twenty-five percent of the fund shall be transferred to the local infrastructure
8 improvement grant fund created in § 1-16G-50;

9 (2) Fifteen percent of the fund shall be transferred to the economic development
10 partnership fund created in § 1-16G-51;

11 (3) Thirty percent of the fund shall be transferred to the workforce education fund
12 created in § 13-13-88;

13 (4) Twenty-five percent of the fund shall be transferred to the South Dakota housing
14 opportunity fund created in § 11-13-2. Disbursement of funds to the South Dakota



1 Housing Development Authority shall be made after South Dakota housing
2 opportunity funds have been obligated by the oversight commission created pursuant
3 to § 11-13-8;

4 (5) Five percent of the fund shall be transferred to the revolving economic development
5 and initiative fund created in § 1-16G-3 for the purpose of making grants to projects
6 that have a total project cost of less than twenty million dollars.

7 The commissioner of the Bureau of Finance and Management, at the request of the
8 commissioner of the Governor's Office of Economic Development and the approval of the
9 Government Operations and Audit Committee, shall transfer building South Dakota fund money
10 among the local infrastructure improvement grant fund, the economic development partnership
11 fund, and the revolving economic development and initiative fund, provided the money is
12 unobligated at the time of the request and subsequent transfer.

13 Section 2. That § 11-13-5 be amended to read:

14 11-13-5. The South Dakota housing opportunity fund may be used to provide a grant, loan,
15 loan guarantee, loan subsidy and other financial assistance to an eligible applicant. Money from
16 the fund may be used to build, buy, and or rehabilitate affordable housing for rent or home
17 ownership, including single family and multifamily housing. The eligible fund activities include
18 affordable housing projects that consist of new construction or the purchase of rental or home
19 ownership housing, substantial or moderate rehabilitation of rental or home ownership housing,
20 housing preservation, including home repair grants and grants to make homes more accessible
21 to individuals with disabilities, homelessness prevention activities, as well as a community land
22 trust. No more than ten percent of the funds awarded may be used for the administrative costs
23 of the South Dakota Housing Development Authority or any entity that ~~has received~~ receives
24 funding from the fund.

1 Section 3. That § 11-13-8 be amended to read:

2 11-13-8. Awards from the fund shall be made through a competitive process during ~~the~~
3 ~~initial an~~ application cycle each year. Each application shall be evaluated and scored based on
4 criteria created by the administering agency and the oversight commission. Each applicant that
5 is awarded money from the fund ~~shall be~~ is encouraged to leverage the money for any project
6 or program with other public and private dollars. ~~If there are funds available after the initial~~
7 ~~application cycle, additional application rounds may be established.~~ Any program income or
8 loan payments received shall be deposited into the ~~fund~~ account held by the South Dakota
9 Housing Authority.

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

11 Before the transfer of money to any fund under § 1-16G-48, the commissioner of the Bureau
12 of Finance and Management shall authorize and disburse money from the building South Dakota
13 fund for the following purposes:

14 (1) An amount to pay for any contracts entered into by the Governor's Office of
15 Economic Development with an implementing partner to provide technical assistance
16 to an applicant or monitoring service for any building South Dakota fund program;
17 and

18 (2) An amount to pay the administrative expenses incurred by the Governor's Office of
19 Economic Development for any building South Dakota fund program. The
20 administrative expenses are limited to the salary and benefits of any personnel
21 directly responsible for the administration of the programs.

22 Section 5. That § 1-16G-52 be amended to read:

23 1-16G-52. The Board of Economic Development may award funds from the economic
24 development partnership fund for the following purposes:

- 1 (1) To support new staff, or elevate existing part-time staff and equipment and training
2 needs for the purpose of developing or expanding local, community, and economic
3 development programs. ~~The board may also;~~
- 4 (2) To support any recipient's plans to work with other entities for the purpose of
5 developing or expanding local, community, and economic development programs;
6 or
- 7 (3) To award funds from the economic development partnership fund to commence or
8 replenish a local revolving loan fund for the purpose of developing or expanding
9 housing, community, and economic development programs. Areas of emphasis for
10 funding include creating high quality employment opportunities, repopulation,
11 stronger economies, housing development, business growth, support of
12 entrepreneurship, and job creation, expansion, and retention. When awarding funds
13 for a revolving loan fund, the board may give priority to an application that serves
14 multiple communities. The board may give additional priority to an application that
15 leverages state funds at greater than a one-to-one matching basis.