

2024 South Dakota Legislature | February 23, 2024

## State of the State Address

Governor Kristi Noem kicked off the 99<sup>th</sup> South Dakota Legislative Session with her sixth State of the State Address on Tuesday, January 9, 2024. The Governor strayed from customary State of the State remarks, where typical addresses centered around legislative priorities like strengthening the economy or job creation and focused her remarks on the Top Ten things that prove Freedom Works Here. They are:

- #10 Freedom to keep and bear arms;
- #9 Freedom to enjoy the outdoors;
- #8 Freedom to farm and ranch;
- #7 Freedom to be secure;
- #6 Freedom for a second chance;
- #5 Freedom to be respected;
- #4 Freedom to learn;
- #3 Freedom to be healthy;
- #2 Freedom for life;
- #1 Freedom to work

Embedded in her address were references to several initiatives we may see during this legislative session such as: ongoing recruitment of gun and ammunition businesses; ongoing access to public hunting opportunities for South Dakotans; repeal the expiration of reduction in gross receipts and use tax rates; securing agricultural land from foreign adversaries; advancing new prison facilities for both men and women; relationship building with the tribal communities and legislation clarifying antisemitism as an unfair or discriminatory practice; greater support of South Dakota's educators; greater EMS access to all South Dakotans rural or urban; care programs for moms and babies before birth; and after and career opportunities for all South Dakotans.

After the seventh week and the 29<sup>th</sup> legislative day, Governor Noem has signed 86 bills into law this legislative session. Two, four-day weeks, or 8 legislative days remain. The final legislative day, day 38, will be

held on March 25<sup>th</sup>, which is a day reserved for consideration of gubernatorial vetoes.

Updates on bills we have been tracking can be viewed below.

## Legislative News

**HB 1118:** An Act to revise unclaimed property provisions. This bill was recently introduced by Representative Tony Venhuizen (D-13 R) to require all operational expenses for unclaimed property to be paid from the general appropriations in the general appropriations act. This bill was heard before the House Committee on Appropriations on February 20<sup>th</sup>. The bill sponsor proposed an amendment, 1118B, which provided clarity to claims and costs incurred in examining records of holders of property. The amended bill, 1118B passed out of committee by a 5-3 vote, and full body of the House by a 39-30 vote. It had its first reading before the Senate Committee on Appropriations on February 22<sup>nd</sup> and is scheduled for its hearing on February 26. The SDBA will continue to monitor.

**SB 38:** An Act to amend the amount a merchant or place of business may assess against returned checks. This bill was introduced by Senator Michael Rohl (D-1 R) that allows a merchant or place of business to post a notice stating that a fee will be assessed against returned checks. The change to this statute increases the fee from \$40 to \$60. This bill passed the Senate Commerce and Energy Committee with a 9-0 vote, and subsequently passed out of the Senate 29-0. The House Commerce and Energy Committee passed this measure out of committee on with a 12-1 and the full House with a 50-16 vote. Having passed both bodies, this measure was delivered to the Governor and signed on February 5<sup>th</sup>.

**SB 58:** An Act to revise provisions regarding money transmission. This bill had its first reading in the Senate Commerce and Energy Committee and was introduced by the SD Department of Labor and Regulation, at the request of the Director of Banking. This is a repeal and replace bill to remove inefficiencies from the process of licensing and supervision of money transmitters. It implements a model law developed between the state and industry to achieve a higher degree of coordination between states. Banks remain exempt under this model language. After the introduction of this bill, the SD Division of Banking offered an amendment to clarify certain provisions of this measure and was introduced as amendment 58B. This bill passed the Senate Commerce and Energy with an 8-0 vote and the Senate floor vote of 29-2. The bill sponsor proposed amendment 58C, which adds additional clarifications to the bill's intent. This measure passed the House Commerce and Energy Committee as amended by an 11-2 margin and has been deferred to another day to be heard by the full House of Representatives. The SDBA is monitoring.

**SB 95:** An Act to exempt one motor vehicle of a debtor from being taken by the legal process. This bill recently introduced by Senator Liz Larson (D-10 D) provides an additional carve out for one motor vehicle, not to exceed five-thousand dollars would be exempt for each debtor. This bill was assigned to the Senate Judiciary Committee and its hearing was held on February 13<sup>th</sup>. This measure was sent to the 41<sup>st</sup> day, subsequently killing this measure with a 5-2 vote. The SDBA testified in opposition to this measure.

**HB 1161:** An Act to regulate the acceptance of a central bank digital currency (CBDC). This bill was brought by the SDBA with Representative Mike Stevens (D-18 R) as its prime sponsor in the House and Senator David Wheeler (D-22 R) as prime sponsor in the Senate. This measure is intended to prohibit the state of South Dakota from accepting a central bank digital currency as a form of payment. The genesis of this bill stems from the debate regarding the adoption of the 2022 Amendments to the UCC during the 2023 legislative session. This bill hearing was February 2<sup>nd</sup> and passed out of House State Affairs with a 13-0 vote. This measure was placed on the consent calendar and passed the House with a vote of 64-1. This bill was heard before the Senate State Affairs Committee on

February 14 and passed out of committee on an 8-1 vote and subsequently passed the Senate with a 32-1 vote. This measure was delivered to the Governor on Thursday, February 22<sup>nd</sup> for her consideration and signature. The SDBA testified in support of this measure.

**HB 1163:** An Act to Amend the provisions of the Uniform Commercial Code (UCC). This measure was initiated by the SD Retailers and the SD Chamber, along with support from a number of South Dakota business lobbies including the SDBA. This bill is to amend the provisions to update the UCC regarding digital assets. Representative Mike Stevens (D-18 R) is the House prime sponsor with Senator David Wheeler (D-22 R) as prime sponsor in the Senate. This bill has been assigned to the House State Affairs Committee. This bill hearing was held February 2<sup>nd</sup> and passed out of the House State Affairs Committee with a 12-1 vote. This measure was debated on the House floor on February 5<sup>th</sup> and passed out of the House with a 44-21 vote. The Senate State Affairs Committee heard this bill on February 14<sup>th</sup> and passed out of committee with an 8-0 vote and the full Senate by a 27-6 vote. This bill was delivered to the Governor on Friday, February 23<sup>rd</sup> for her consideration and signature. The SDBA is supportive of this measure.

**SCR 603:** This concurrent resolution opposes the adoption and development of a central bank digital currency. This resolution serves as an additional point of emphasis in support of HB 1161, an Act to regulate the acceptance of a central bank digital currency (CBDC). SCR 603 passed in the Senate Commerce and Energy Committee with an 8-1 vote and passed the Senate by a 32-1 margin and the House by a margin of 69-0. The SDBA testified in support of this measure.

**HB 1199:** An Act to repeal certain provisions of the Uniform Commercial Code. This bill was introduced by Representative Auch (D-18 R) and intends to repeal language specific to Article 8 of the UCC that deals with investment securities. This measure was heard before the House State Affairs Committee on February 7<sup>th</sup> and was defeated by a 11-1 vote, sending this bill to the 41<sup>st</sup> day, killing this bill. Although HB 1199 was sent to the 41<sup>st</sup> day in committee, the bill sponsor invoked joint rule 7-7 known as a "smoke out". This rule requires one-third of the House to support the motion to reconsider (needing 24 votes) to support the motion to smoke out.

The members of the House supported the motion by the sponsor, receiving greater than one-third, therefore sending the bill back to the House State Affairs Committee for reconsideration. The Committee, in turn sent this measure back to the House with a “do not support” recommendation by a 12-1 margin. On February 15<sup>th</sup>, the second part of the smoke out rule required 50 percent of the body to calendar the bill for debate on the House floor. The motion failed by a 41-26 margin. This measure is dead! The SDBA testified in opposition to this measure.

**HB 1247:** An Act to provide consumer protection through fair access to financial and insurance products and services. This bill was introduced by Representative Auch (D-18 R) intends to protect consumers from discrimination by financial institutions based on unsafe and unsound practices. This bill was heard before the House Commerce and Energy Committee on February 15. The bill sponsor requested the bill to be “tabled,” claiming it is not ready for prime time, noting defeat of the bill. The rule states a bill that is being tabled is a non-debatable motion, therefore passing by a 12-0 margin. The sponsor plans to bring a similar bill back during the ’25 session. The SDBA opposed this bill.

**SB 211:** An Act to revise notarial acts. This bill was introduced by Senator Wheeler (D-22 R) and intends to allow for any document to be recorded or filed in a register of deeds office to include electronic signatures executed and notarized in accordance with requirements in the bill. The SDBA testified in favor of this bill and passed out of Senate Judiciary with a 7-0 vote and passed the Senate 33-0. This measure was heard before House Judiciary on February 23<sup>rd</sup> and passed the committee by a 11-1 vote. This bill will now be heard before the full House. The SDBA testified in support of this measure.

**HB 1231:** An Act to place restrictions on the ownership of agricultural land. This bill was introduced by Representative Wangsness (D-23 R) and intends to place restrictions on ownership of ag land by foreign entities that are known adversaries of the United States. This bill was assigned to the House Agriculture and Natural Resources Committee and passed out of committee with a 12-0 vote and the House by a 61-6 margin. This bill was heard before the Senate Ag and Natural Resources Committee and passed out of

committee by a 6-0 margin and the full Senate by a 30-2 vote. The SDBA is monitoring currently.

This summary concludes week seven of the 99<sup>th</sup> legislative session in Pierre.

To learn more and remain “engaged” about the 2024 legislative session, visit the LRC webpage at [sdlegislature.gov](https://sdlegislature.gov). The legislature provides live and archived audio of committee hearings plus Senate and House floor debates. To access both the live audio feed and archived audio files, visit [sd.net](https://sd.net)

For specific “**Calls to Action**” and to effectively send an email to a specific Senator or Representative, go to <https://sdlegislature.gov/Legislators/Contacts/69> and click on a legislator’s email address. Legislators are inundated with emails, so to make sure your voice is heard, only contact legislators who represent your district and note you're one of their constituents. [Check here](#) to find your district number and the names of the legislators from your district.

For those of you who were able to join us for the SDBA Legislative Day last week, thank you! We know the winter weather created challenges and cancellations, but we look forward to hosting you again next year for the 2025 SDBA State Legislative Day!

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