

2026 South Dakota Legislature | January 16, 2026

Congressional Update

As a matter of routine, the SDBA reserves the SDBA Legislative Update to share our perspective on issues related to the South Dakota legislative process. However, I feel it is important to update you on other matters that rise to the same level of opportunity, awareness and concern.

The SDBA has been “in your inbox” a lot in recent weeks sharing updates and “Calls to Action” on a number of issues before Congress.

The SDBA alongside all banking industry partners have been working diligently on stablecoin and credit card developments.

First, the Market Structure legislation before the U.S. Senate Banking Committee dealing with stablecoin. The mark-up on this legislation was postponed on Thursday, January 15, 2026, as the banking industry works with the Senate Banking Committee to prohibit stablecoin exchanges and affiliates from offering interest, yield or rewards to holders of stablecoin. Without this prohibition, the potential for deposit flight from the traditional banking system to stablecoin would disintermediate the banking system and would reduce the lending available to small businesses, families and local communities. The Administration and the crypto industry remain opposed to our prohibition. The banking industry remains at the table continuing to work in good faith to accomplish this goal. We will continue to need your voice, please stay tuned for additional “Calls to Action”.

Second, President Trump has “posted” recent support of a “10 percent credit card rate cap” in addition to support for the so-called “Credit Card Competition Act” (CCCA). Both ill-conceived policy measures attack the viability of today’s credit card business. One, targeting the system’s security, reliability and rewards and the

other dramatically reducing the amount of credit that would be available to consumers.

PLEASE, remain engaged on this front! Below is a statement from the SDBA on these two issues:

Credit Card Rate Caps and Routing Mandates Are Bad Policy That Hurt Consumers

PIERRE, South Dakota — The South Dakota Bankers Association (SDBA) today voiced strong opposition to President Donald Trump’s proposed 10 percent cap on credit card interest rates and renewed its opposition to the Credit Card Competition Act (CCCA), also known as ‘Durbin 2.0.’ Together, these proposals represent unnecessary government interference in a credit card marketplace that is already competitive, secure, and working as intended. “

A federally mandated 10 percent interest rate cap is not consumer protection—it’s a government price control that would reduce access to credit and eliminate options for millions of Americans, including South Dakotans,” said Karl Adam, President & CEO of the South Dakota Bankers Association. “Policies like this don’t lower costs; they push responsible borrowers out of the market

and set a dangerous precedent for political control over financial products."

Adam also warned that the Credit Card Competition Act would further destabilize the system consumers rely on. "The current payment system is not broken, and it does not need to be fixed," Adam said. "The CCCA would weaken security, disrupt rewards programs, and benefit a handful of large retailers while consumers and community banks pay the price. Creating new problems is not the solution to problems that simply don't exist."

State of the State Address

South Dakota's 101st legislative session kicked off on Tuesday, January 13th, 2026, with Governor Larry Rhoden giving the 2026 State of the State Address before a joint session of the South Dakota legislature.

A few highlights of Governor Rhoden's address:

- Governor Rhoden remains committed to keeping South Dakota Open for Opportunity, by offering his plans to keep South Dakota strong, safe and free for our kids and grandchildren.
- **STRONG:** South Dakota has weathered national economic headwinds with steady growth, low unemployment and fiscal responsibility
- Governor Rhoden proposes cutting owner-occupied property tax by giving each county the "option" to replace the county's share of property taxes with a half-cent sales tax.
- Desire to expand apprenticeship opportunities by having the Department of Labor and Regulation to set up a State Apprenticeship Agency.
- Encourage economic growth and development in a responsible way, and South Dakota should seize the opportunity.
- South Dakota was awarded \$189 million in federal funding for Rural Health Transformation Plan.
- Extending the state's support for Keep Farmers Farming initiative.

- Recommends support to expand the SecureSD program at Dakota State University to expand cybersecurity support from cities and counties to nonprofit utilities like rural water systems.
- **SAFE:** Commitment to further support the new Highway Patrol unit in Sioux Falls focusing on crime and drug enforcement.
- Protect law enforcement, judges, legislators and statewide officials.
- South Dakotans keep not only our state but our nation safe and secure by supporting the cybersecurity industry and the next generation B-21 bomber to be located at Ellsworth Air Force Base in western South Dakota.
- Food security is national security. Prioritize value-added ag opportunities.
- **FREE:** South Dakota is the "freest state in America and work to keep it that way for the next generation of South Dakotans.
- South Dakota is pro-life and will work to keep it that way.
- South Dakota is pro-second amendment state and will continue to be.
- Support Department of Education to improve outcomes in key areas including reading and math, along with addressing teacher shortages.
- Supporting Career and Technical Education (CTE) providing opportunities in high-demand fields.
- Highlighting the USA's 250th birthday, the freest nation in history.

South Dakota's 101st Legislative Session

The 101st Legislative Session will take place over 38 legislative days, concluding day 38, March 30th, 2026, known as "veto day".

After the first week and fourth legislative day of this session, there are 184 legislative bills filed, with many more expected to be filed prior to January 29th, which is the last day for unlimited bills to be introduced.

As is typically the case, the first group of bills introduced in 2026 consist primarily of legislation introduced on behalf of the executive branch, state agencies, constitutional offices and interim legislative committees.

Important Dates

- January 29, 2026, last day for unlimited bill introduction.
- February 4, 2026, last day for individual bills introduction.
- February 24, 2026, last day to pass bills or joint resolutions by the house origin, aka “crossover day”.

Legislative News

The following is a snapshot of the bills we are currently tracking. We anticipate ...

HB 1026: An Act to provide for the licensing of property data collectors and the registration of property data collection companies and to provide a penalty therefor. This bill would require the licensing and oversight by the SD Department of Labor and Regulation for Property Data Collectors, when assisting with gathering data for the benefit of a timely and accurate appraisal. Property Data Collection is not a profession, and makes no statement of value, rather an assignment or task to gather information to assist the appraisal process. The SDBA wants to support property data collection as it assists with timely and accurate appraisals for our member banks and this bill would create an additional “barriers of entry”. This bill is sponsored by Representative Roe, (R- D4) and Senator Vilhauer, (R-D5). This bill has been assigned to the House Commerce & Energy Committee, no hearing date has been scheduled at the time of this update. The SDBA will oppose this measure.

SB 18: An Act to repeal income modifications for the bank franchise tax pertaining to bad debts. This bill was brought by the SD Department of Revenue and was discussed with the SDBA prior to its filing. The SDBA discussed this matter in detail and worked with a number of SDBA member banks to determine the impact to our members. We heard from banks inside tax advisors as well as outside tax preparers, and was found to be beneficial to our members, as it would reduce administrative and compliance burdens, promotes efficiency and reduces complexity for both the taxpaying bank and the Department of Revenue. The SDBA supported this measure Friday, January 16, 2026, before the Senate Taxation Committee. The bill

passed with a 5-0 vote and was placed on the consent calendar.

We will share more information on other banking related matters in the weeks ahead, as we continue to work on two bills related to fraud that we will be supporting. Also, it is likely that much of our time will be spent in a defensive posture, working against punitive banking-related measures that would impact our industry.

This summary concludes week one of the 101st legislative session in Pierre.

To learn more and remain “engaged” about the 2026 legislative session, visit the LRC webpage at 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

Please plan to join us on February 11, 2026, in Pierre for the 2026 SDBA State Legislative Day. Go to sdba.com and register today!

- Office Phone: 605.224.1653
- Cell Phone: 605.280.7654
- Email: kadam@sdba.com