

2026 South Dakota Legislature | January 23, 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.

WEEK 2: South Dakota's 101st Legislative Session

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

After the second week and eighth legislative day of this session, there are 255 bills filed, up from 184 legislative bills filed after the first week. Many more bills are 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. However, we are starting to see bills that attempt to address property tax relief for owner occupied homes and bills restricting the use of Tax Increment Financing (TIF).

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.

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 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. This measure would create an unnecessary 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, and is scheduled for its first hearing on Monday, January 26. 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 on 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 certified and placed on the consent calendar. The Senate subsequently passed this bill with a vote of 33-0 and had its first reading in the House Taxation committee on January 22 and as of this update, no hearing date has been scheduled.

SB 100: An Act to revise provisions related to trusts.

This bill is sponsored by Senator Crabtree (R-D8) and Representative Stevens (R-D18). This measure intends to update and revise provisions related to trusts. The SDBA is reviewing the measure with the recommendation to support. This measure will be heard before the Commerce and Energy Committee. No hearing date has been scheduled.

SB 98: An Act to prevent virtual currency fraud. This bill was brought at the request of the American Association of Retired Persons (AARP) and is sponsored by Senator Kolbeck (R-D2) and Representative Weisgram (R-D24). The SDBA worked in the off-season with AARP to address this growing fraud concern and is supportive of this measure.

A few highlights: This bill would require licensing of the kiosk as a licensed money transmitter with the SD Division of Banking, require the licensee to issue a full refund to a victim of a fraudulent virtual currency transaction and establish daily limits for users not to exceed \$1,000 and a licensee may not collect charges related to a transaction exceeding 3% of the transaction. This bill has been referred to the Senate Commerce and Energy Committee. No hearing date has been scheduled.

SB 112: An Act to establish a currency based on gold and silver. This bill is sponsored by Senator Carley (R-D29) and Representative Auch (R-D18). This bill would require the State Treasurer to establish rules for a bullion depository to enable users to make or receive payments, transfer value within SD or between parties who consent to its use. Further, it would require the establishment of an electronic payment platform and would authorize the SD state treasure to manage and operate. This measure was just filed and the SDBA is

reviewing the measure to determine our path forward on this measure. The bill was assigned to Senate State Affairs committee and no hearing date has been scheduled.

We will share more information on other banking related matters in the weeks ahead, as we continue to work on another SDBA sponsored fraud bill.

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 two 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!

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