

2026 South Dakota Legislature | **January 30, 2026**

WEEK 3: 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 third week and twelfth legislative day of this session, there are 451 bills filed, up from 255 legislative bills filed after the second week, a total of 196 new bills filed during week three. We anticipated a deluge of new bill introductions as Thursday, January 29th was the last day for unlimited bills to be introduced.

Wednesday, February 4th is the final day for "individual bill introductions," so we anticipate more bill to be introduced this week.

As is typically the case, the first group of bills introduced consisted 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).

Remaining Important Dates

- 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".
- March 30, 2026 "Veto Day"

Newly introduced bills the SDBA is tracking from week three (January 26 – 30th)

HB 1178: An Act to establish provisions for homeownership through shared equity agreements.

This bill is intended to codify a framework for homeowners (occupant-owners) to work with investor-owners, individuals who may be interested in investing in an occupant owners' home. This bill was introduced by Representative Novstrup (R-D3).

I discussed the bill with Representative Novstrup and shared that his bill is only a guide and does not require legislation. The SDBA will oppose this measure. At the time of this update, it is not assigned to a House committee.

HB 1111: An Act to modify the requirements for obtaining an agricultural processor's lien. This measure was introduced by Representative Greenfield (R-D22). This is additional clean-up bill to HB 1083 from the 2025 legislative session. SDBA general counsel Brett Koenecke has been helpful to improve and further clarify the process. This bill requires the ag processor to file the lien electronically with the Secretary of State, rather than the county register of deeds in which the land producing the crop is located. The SDBA is supportive of this measure and will provide proponent testimony. This bill will be heard before the House Ag & Natural Resources Committee on February 3, 2026.

HB 1224: An Act to protect persons from discrimination by financial institutions. This bill was introduced by Representative Lems (R-D16). **THIS BILL IS A PROBLEM!** For quick background, Representative Lems is the Lt. Governor running made for gubernatorial candidate Jon Hansen this 2026 election cycle. Also, this bill will be heard before the House Commerce & Energy Committee which Representative Lems Chairs. The committee is made up of 13 House

lawmakers, many of whom are supportive of the Hansen/Lems ticket.

This bill adds additional layers of state law already enforced under state and federal laws including ECOA, Fair Housing Act and South Dakota Human Relations Act, in addition to examinations regularly held by multiple regulators. **The bill has not been scheduled for a hearing, but please watch for SDBA calls to action to contact committee members to oppose this legislation.**

HB 1238: An Act to protect financial institutions taking action to prevent the financial exploitation of consenting, senior, or vulnerable adults. The SDBA crafted this legislation along with House sponsor Representative Heermann (R-D7) and Senator Kolbeck (R-D2). This measure is to assist banks by lawfully delaying or refusing a transaction, delaying or refuse the withdrawal of funds, or change in ownership of an account from a consenting, senior or vulnerable adult. This measure was assigned to the House Committee on Commerce & Energy; however, no hearing date has been scheduled. The SDBA will support.

SB 150: An Act to exempt one motor vehicle of a debtor from being taken by the legal process. This bill was introduced by Senator Larson (D-D10). In bankruptcy, this measure is to allow one motor vehicle not exceeding \$5,000 to be exempt over any security interest on the motor vehicle. This bill has been assigned to the Senate Judiciary committee, and no hearing date has been scheduled. The SDBA plans to oppose.

Legislative committee action & updates

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 had a hearing before the House Commerce & Energy Committee on Monday, January 26, 2026. The SDBA provided opposition testimony and defeated the bill with an 11-2, sending this measure to the 41st day, aka “killed the bill”.

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. The Senate Committee on Taxation scheduled the hearing for February 3, 2026. The SDBA will testify in favor of this measure.

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. This measure will be heard before the Senate Commerce and Energy Committee on February 3. The SDBA is supportive of this measure.

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 and is scheduled for hearing on February 3, 2026. The SDBA will testify in favor of this measure.

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 Treasurer to manage and operate. This measure was assigned to Senate State Affairs committee and will likely be scheduled for a hearing the week of February 2nd. The SDBA will oppose this measure.

We will share more information on other banking related matters in the weeks ahead.

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 three 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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