

2026 South Dakota Legislature | **February 6, 2026**

WEEK 4: 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 fourth week and seventeenth legislative day of this session, there are 570 bills filed, up from 451 legislative bills filed after the third week, for a total of 119 new bills filed during week four. We anticipated a deluge of new bill introductions this week as Wednesday, February 4th was the last day for individual bills to be introduced. Now, we know what the bill landscape looks like for the remaining 21 days of the 101st legislative session.

I have shared in recent weeks that many legislative bills attempt to address property tax relief, tax increment financing reform, along with pro-economic development bills in addition to anti-economic development bills. Legislation in these categories will suck a lot of oxygen out of both chambers of the legislature for the balance of the session.

Noticeably, lawmakers' patience is waning, leading to contentious committee and floor debate, no matter which side of the issue you support or are defending.

The SDBA positions itself seeking common sense solutions to policy on issues related to banking. We continue to fight non-sensical legislation that pits the banking industry against unproven theories and efforts to upend rules and laws that protect the customers the banking industry serves. The SDBA aligns itself with many pro banking industry policymakers, and battles with the identifiable group of policymakers that work every angle to overturn South Dakota's reputation of

being open for business. With your help and support, we will continue to fight the good fight to support our industry with truth, facts and resolve.

Remaining Important Dates

- 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 four (February 2-6)

SB 233: An Act to prohibit the assessment of certain administrative fees or penalties related to the provision of care by an out-of-network provider. This bill attempts to legislate payment to out-of-network health care providers by insurance companies. Recent trends prove growth in disputes will continue to drive increased costs to insurance plans and subsequently increase premiums to insureds. This measure was filed on the final day for bill introduction and the SDBA is continuing to gather information and is opposed to legislating this contract dispute issue. This bill is sponsored by Senator Davis (R-D17). This bill was assigned to the Senate Committee on Health and Human Services. No hearing date has been scheduled.

SB 227: An Act to establish a minimum damage threshold for a motor vehicle total loss declaration. This measure was introduced at the request of the auto dealers association and intends to clarify when an insuring company may declare a total loss of a vehicle due to perils covered by the insurer. The SDBA is tracking this legislation to ensure that this measure does not negatively impact banks who may have a security interest in motor vehicles. As of this writing we

have not received any concern about this issue. The SDBA will continue to track this measure. This bill has been assigned to the Senate Transportation committee, and no hearing has been scheduled at this time.

Legislative committee action & updates

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. Representative Novstrup agreed to withdraw the bill on February 4th.

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 provided proponent testimony, Tuesday, February 3rd before the House Committee on Ag & Natural Resources. This measure passed out of the committee on a 13-0 vote and was placed on the consent calendar and passed on the House floor by a 59-5 vote. Next stop, Senate Ag & Natural Resources committee.

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. This measure would expand the definition of discrimination to include "lawful economic activity" and "speech" protected by the First Amendment. Simply put, this would shift the burden of proof to the bank to defend its decision to deny credit or deposit account opening and would create significant litigation risk and create private rights of action with statutory damages.

I have discussed this measure with the bill sponsor and shared our concern. The bill has not been calendared, but after our discussion it will likely be heard on Wednesday, February 18 before the House Committee on Commerce & Energy. The SDBA will discuss in detail with bankers during February 11, 2026 SDBA legislative day. **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. We are not certain at this time, but believe it will be scheduled for Legislative Day, Wednesday, February 11th in the House Commerce & Energy Committee. Stay tuned as we learn more. The SDBA supports this measure.

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 advanced out of committee on a 4-2 vote. This measure will be debated on the Senate floor on February 9th.

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 House Committee on Taxation voted in favor of this measure by a vote of 12-0 on February 3rd and was passed by the House by a vote of 69-0 on February 4th. The Speaker of the House and the President of the Senate signed the bill. Next stop is consideration of the Governor. The SDBA has been supportive 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 was heard before the Senate Commerce and Energy Committee on February 3rd and passed out of committee on an 8-0 vote and the full senate by a vote of 34-0. This measure will be heard before the House committee on Commerce & Energy. 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 had its hearing on February 3rd before the Senate Commerce & Energy committee and was held over in an effort to accommodate a crypto kiosk vendor for the committee to consider a friendly amendment. The committee will resume action on this bill on February 10th. The SDBA is supportive 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 Treasury to manage and operate. This measure was assigned to Senate State Affairs committee, and the hearing was held on Friday, February 6th. The committee held over the bill until Monday, February 9th as the motion to send to the 41st day was deadlocked with a 4-4 vote and one committee member excused. The SDBA will oppose this measure.

We will share updates on these bills in the weeks ahead.

This summary concludes week four 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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