

2021 South Dakota Legislature | **March 15, 2021**

Week Nine Legislative News

HB 1203, a bill to authorize expanded banking services for banks to engage in business with marijuana licensees and associated persons passed Senate Commerce 8-1 on Feb. 25 and was debated on the Senate floor on March 1. Sen. Michael Diedrich (R-Rapid City), the bill's prime sponsor in the Senate, introduced the bill to the Senate and urged support. HB 1203 passed the Senate 33-2. Again, thank you for your engagement with your citizen legislators on issues important to the banking industry. As you can see, it makes a difference! This important legislation was delivered to the Governor for signature on March 9.

Updates on Previous Bills

SB 35: This bill was introduced by the South Dakota Department of Revenue and would authorize an appropriation from the general fund to the Department of Revenue and the Department of Health for the purpose of implementing the constitutional provisions contained in Amendment A and Initiated Measure 26. It passed Appropriations 15-1, the Senate 31-4, the House of Representatives 58-9 and was delivered to the Governor on March 11.

HB 1203: A bill to authorize expanded banking services. The context of this bill was approved by the SDBA Board on Jan. 29. Legal counsel Brett Koenecke and President Karl Adam conferred with the SDBA Board to allow the SDBA to initiate a bill to assist banks in expanding services for cannabis banking. It was evident that there was no substantive legal framework legislation introduced. The SDBA Board agreed that we must continue to advocate for our industry in a "stand-alone" bill that allows legal protections under state law for banks. HB 1203 is sponsored by Rep. Hugh Bartels (R-Watertown) with Sen. Michael Diedrich (R-Rapid City) lead sponsor in the Senate. SDBA's Karl Adam testified in favor of this legislation, and it passed out of the Senate Commerce Committee 8-1. This bill was debated on the Senate floor on March 1 and received an

overwhelming affirmative vote of 33-2. This important legislation was delivered to the Governor on March 9.

HB 1100: This bill introduced by Speaker of the House Spencer Gosch (R-Glenham) is a bill to modify the medical marijuana program and to create an interim committee to recommend implementation of the medical marijuana program. This bill passed committee 10-3 and the House 40-28. On March 3, the Senate Health and Human Services Committee passed it with Amendment 1100L. During Senate floor debate on March 8, amendments 1100M and 1100N were passed by a vote of 29-6. When sent back to the House, the House failed to concur and appointed a Conference Committee. The Conference Committee report was not adopted. With this failure, the provisions within IM 26 will be effective July 1, 2021.

This concludes week nine report of bills that are being tracked by SDBA staff at the South Dakota Legislature. Day 37 of the 2021 Legislature is March 29, also known as "veto day." Should you have questions, please do not hesitate to contact me—SDBA President Karlton Adam.

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