

BANKING: *What to know*

ECONOMIC IMPACT OF SOUTH DAKOTA'S BANKING INDUSTRY

JOBS

Number of Employees
11,403

Total Annual Compensation & Benefits
\$1.1 B

CUSTOMERS

Total Deposits
\$797 B

Bank Charters
82

Number of Branches & Offices
432

LENDING

New Home Loans in 2024
\$2.1 B

Number of New Home Loans: 2024
6,794

Small Business Loans
\$3.0 B

Number of Small Business Loans
54 K

Small Farm Loans
\$175 M

Number of Small Farm Loans
1,726



DID YOU KNOW?

South Dakota has a well-known national reputation for being a strong pro-business pro-banking state. But did you know there is a corporate income tax on the banking industry in South Dakota?

It's called BANK FRANCHISE TAX (BFT)



WHAT?

Bank Franchise Tax (SDCL 10-43) is an annual income tax imposed on banks, financial institutions, and savings and loan associations based upon net income from South Dakota lending.



HOW DOES SOUTH DAKOTA BENEFIT?

CREDIT CARD BANKS

- **95%** of taxes paid from credit card banks are deposited in the state general fund.
- **5%** of taxes collected are sent to the county where the bank or financial institution is located.

COMMUNITY BANKS

- **26.66%** of all other revenues collected from the tax are deposited in the state general fund.
- **73.33%** are remitted to the county where the bank or financial institution is located.

	TOTAL BANK FRANCHISE TAX	REVERTED TO COUNTY	STATE GENERAL FUND
FY 22	\$61,818,514	\$30,093,442	\$31,725,072
FY 23	\$48,141,622	\$31,892,921	\$16,248,701
FY 24	\$60,717,993	\$29,142,282	\$31,575,711
FY 25	\$59,917,708	\$30,724,289	\$29,193,419



VIEW ONLINE

Source: FDIC Call Report 2024Q4, Bureau of Labor Statistics 2024, ABA analysis, FFIEC HMDA 2024, FFIEC CRA 2023, FDIC Summary of Deposits 2024Q4, CFE Fund

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Unclaimed

PROPERTY: SIMPLIFIED



WHAT IS IT?

UNCLAIMED PROPERTY is comprised of abandoned financial assets that are without activity for a certain period of time, such as:

- checking and savings accounts
- unpaid wages
- securities
- life insurance payouts
- uncashed checks
- proceeds of safe deposit boxes

**Does not include real estate or vehicles.*



WHAT DOES THIS MEAN FOR SOUTH DAKOTA'S BUDGET?

While the state maintains a record of rightful owners and allows individuals to claim their property at any time, the unclaimed funds themselves are pooled and used for state financial purposes:

- The funds are deposited into SD's general fund.
- The state uses these funds to support public services, infrastructure, education, and other budgetary needs.



HOW MUCH UNCLAIMED PROPERTY IN SOUTH DAKOTA IS CURRENTLY CLAIMABLE?

- **Total Receipts to-date** = \$238,280,928.07 (as of December 3, 2025)
- **Per SB155** transfer \$61,384,827 to the General Fund = 25.7%
- **Amount transferred to the UCP Trust Fund:** \$161,034,442.53



UNCLAIMED PROPERTY FUNDS ORIGINATE FROM 3 LARGE HOLDERS

	FY 26 APPROX	ACTUAL FY 25	ACTUAL FY 24	ACTUAL FY 23	ACTUAL FY 22
LARGE HOLDER 1	\$117,000,000	\$149,333,996	\$74,165,211	\$7,620,334	\$ 9,038,133
LARGE HOLDER 2	\$83,000,000	\$65,186,260	\$70,889,707	\$80,135,457	\$58,934,526
LARGE HOLDER 3	\$9,000,000	\$59,219,481	\$79,000,000		



DID YOU KNOW?

Most of this money is LESS THAN 10 years old?

Total Claimable Properties less than 10 years old: 1,960,323

Total Claimable Properties less than 10 years old value: \$1,062,107,313



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