

BANKING: *What to know*

ECONOMIC IMPACT OF SOUTH DAKOTA'S BANKING INDUSTRY

JOBS

Number of Employees
11,548

Total Annual Compensation & Benefits
\$1.1 B

CUSTOMERS

Total Deposits
\$797 B

Bank Charters
82

Number of Branches & Offices
433

LENDING

New Home Loans in 2023
\$1.9 B

Number of New Home Loans: 2023
6,716

Small Business Loans
\$2.9 B

Number of Small Business Loans
54 K

Small Farm Loans
\$172 M

Number of Small Farm Loans
1,684

Source: FDIC Call Report 2023Q4, BLS 2023, FFIEC HMDA 2023, FFIEC CRA 2023



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?

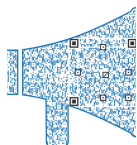
CREDIT CARD BANKS

- **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 21	\$53,959,979	\$27,945,459	\$26,014,520
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



A comprehensive study by the CATO Institute in December 2023, detailed why South Dakota is arguably the most successful state in the Greater Midwest, stating, "South Dakota's secret recipe for success is economic freedom."



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 Claimable Cash:** \$1.2 billion
- **All Claimable Properties:** 2,547,970



UNCLAIMED PROPERTY FUNDS ORIGINATE FROM 3 LARGE HOLDERS

	FY 25 APPROX	ACTUAL FY 24	ACTUAL FY 23	ACTUAL FY 22	ACTUAL FY 21
LARGE HOLDER 1	\$150,000,000	\$74,165,211	\$17,620,334	\$9,038,133	\$15,822,437
LARGE HOLDER 2	\$66,000,000	\$70,889,707	\$80,135,457	\$58,934,526	\$54,862,071
LARGE HOLDER 3	\$59,000,000	\$7,900,000			



DID YOU KNOW?

Most of this money is LESS THAN 10 years old?

Total Claimable Properties less than 10 years old: 1,863,253

Total Claimable Properties less than 10 years old value: \$932,449,125.37



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