



Legislative Research Council

Rules Review Committee Minutes

**Three hundred fifty-second meeting
Monday
September 21, 2015**

**Room 414
State Capitol
Pierre, South Dakota**

The three hundred fifty-second meeting of the Rules Review Committee was called to order by Senator Mike Vehle (Chair) at 10:00 a.m., CT, on September 21, 2015, in Room 414 at the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Jim Bradford, Phyllis Heineman and Mike Vehle (Chair) and Representatives Peggy Gibson, and Jean Hunhoff. Member excused: Timothy Johns (Vice Chair). Staff members present were Doug Decker, Code Counsel, and Kris Schneider, Senior Legislative Secretary.

All material distributed at the meeting is attached to the original minutes on file in the Legislative Research Council (LRC). For the purpose of continuity, these minutes are not necessarily in chronological order. This meeting was recorded by South Dakota Public Broadcasting. The archived recording is available at the LRC website at <http://legis.sd.gov> under "Interim."

Approval of Minutes

Representative Gibson moved, seconded by Senator Heineman, that the minutes of the August 17, 2015, meeting be approved. Motion prevailed on a voice vote.

Rules Reviewed

Department of Transportation – Adopt rules to provide guidance to local public agencies for submission of a county highway and bridge improvement plan and set forth the application process, timelines, guidelines and criteria that will be used to award and distribute funds from the newly created Bridge Improvement Grant fund.

Mr. Bill Nevin, Ms. Laurie Schultz, Mr. Doug Kinniburgh, and Mr. Joel Jundt reviewed the proposed rules and the process that had been followed.

A short break was taken due to technical difficulties with the South Dakota Public Broadcasting audio live stream.

Representative Hunhoff moved, seconded by Representative Gibson, that the review of the rules proposed by the Department of Transportation is complete. Motion prevailed on a roll

call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns.

Department of Labor and Regulation: Division of Banking: SD Public Deposit Protection Commission – Amend rules to modify the information required to be reported by public depositories to include the amount and number of public demand and time deposits over the amount of deposit insurance provided by the FDIC rather than the total amount and number of public demand and time deposits, remove trust companies from the list of entities eligible to receive public deposits, correct typographical errors, make certain form and style edits, and specify the information that must be reported to the commission for any certificate of deposit pledged to secure public deposits, eliminate the requirement that liability reports to the Public Deposit Protection Commission be sworn before a notary, delete an outdated cross-reference, add certificates of deposit to the existing process for pledging eligible collateral, change the value of surety bonds pledged as security for public deposits from 110% of the value of the public deposits to be secured to 100%, change the required value of eligible collateral pledged as security for public deposits from 110% of the value of the public deposits to be secured to 100%, delete an outdated statutory reference, and allow certificates of deposits to be pledged as eligible collateral by public depositories.

Mr. Bret Afdahl reviewed the proposed rules.

Senator Vehle moved, seconded by Senator Heineman, that the review of the rules proposed by the Department of Labor and Regulation: Division of Banking: SD Public Deposit Protection Commission is complete. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns.

Department of Labor and Regulation: Division of Insurance – Adopt rules to update the South Dakota Division of Insurance's contact information, incorporate the 2015 Medicare coverage amounts, and update the sources referenced.

Ms. Mallori Barnett reviewed the proposed rules.

Representative Gibson moved, seconded by Senator Heineman, that the review of the rules proposed by the Department of Labor and Regulation: Division of Insurance is complete. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns.

Department of Labor and Regulation: Division of Securities – Adopt a rule to allow the division to conduct a Fairness Hearing.

Ms. Erin Menkhaus, Mr. Quincy Kjerstad, and Mr. Mike Youngberg reviewed the proposed rule.

Senator Heineman moved, seconded by Representative Gibson, that the review of the rule proposed by the Department of Labor and Regulation: Division of Securities is complete.

Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns.

Department of Environment and Natural Resources: Board of Minerals and Environment – Amend Air Pollution Control Program rules to adopt revisions to federal regulations, clarify existing regulations, and streamline the existing air quality permitting process for specific types of operations.

Mr. Kyrik Rombough reviewed the proposed rules.

Senator Vehle moved, seconded by Senator Bradford, that the review of the rules proposed by the Department of Environment and Natural Resources: Board of Minerals and Environment is complete. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns.

Department of Social Services – Amend Economic Assistance, Medical Services, and Adult Services and Aging rules to repeal unnecessary rules, update the Department's website, update coding from ICD-9 to ICD-10 to comply with federal regulations, update the guidelines for terminology and coding to the most recent versions available, update claim requirements and provide more information for providers and recipients via the Department's website.

Ms. Teresa Schulte and **Ms. Sarah Aker** reviewed the proposed rules.

Representative Hunhoff moved, seconded by Senator Heineman, that the review of the rules proposed by the Department of Social Services is complete. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns

Department Health: Division of Health Systems Development and Regulation – Amend rules to update and create separate Articles for each health care provider currently regulated in Article 44:04, to allow facilities the ability to consider inclusion of operators of X ray equipment to meet federal provisions of electronic health records, and designate geographic areas for the redistribution of nursing facility beds.

Mr. Tom Martinec and **Mr. Bob Stahl** reviewed the proposed rules.

Representative Gibson moved, seconded by Senator Vehle, that the review of the rules proposed by the Department Health: Division of Health Systems Development and Regulation is complete. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns.

Governor's Office of Economic Development: Board of Economic Development – Amend rules to clarify that tribal governments are eligible to apply for the economic development partnership fund and the local infrastructure improvement grant fund.

Mr. Aaron Scheibe reviewed the proposed rules.

Senator Vehle moved, seconded by Representative Gibson, that the review of the rules proposed by the Governor's Office of Economic Development: Board of Economic Development is complete. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Bradford, Gibson, Heineman, Hunhoff, and Vehle. Member excused: Johns.

Next Meeting Date

The next interim meeting of the Interim Rules Review Committee will be on Monday, November 9, 2015.

Adjournment

Representative Gibson moved, seconded by Senator Bradford, that the meeting be adjourned. Motion prevailed on a voice vote.

Chair Vehle adjourned the meeting at 2:12 p.m.