

# *FY2018 Recommended Budget*

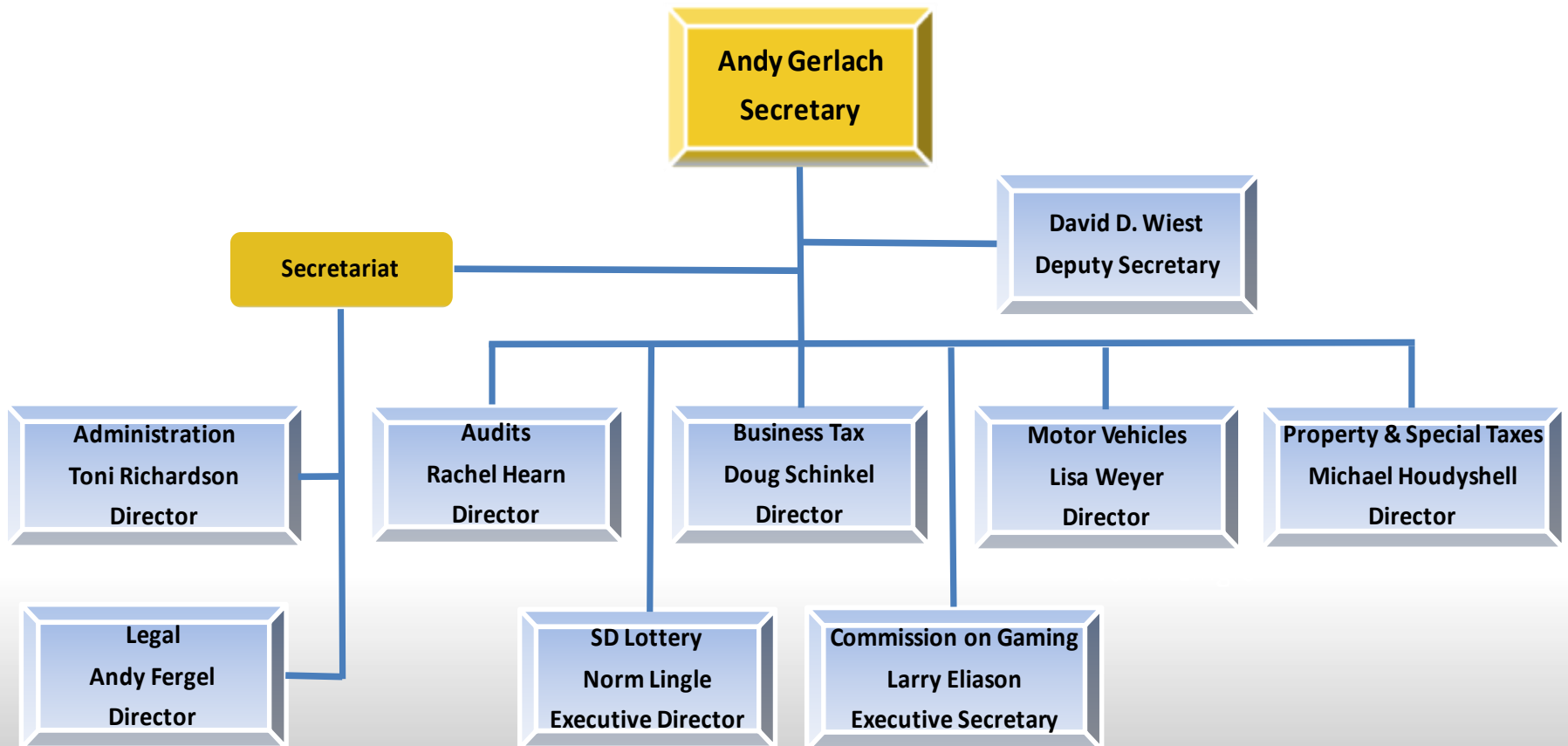
## *Department of Revenue*



# WHAT WE DO

The Department of Revenue is responsible for the administration and collection of business taxes, motor fuel taxes, motor vehicle fees, special taxes, operation of the state lottery, and regulation of the gaming and racing industries in South Dakota.

# ORGANIZATIONAL CHART



*South Dakota*



Aberdeen ★

Watertown ★

Deadwood ★

Pierre ★

Rapid City ★

Mitchell ★  
Sioux Falls ★

Yankton ★



# **FY2018 RECOMMENDED BUDGET**



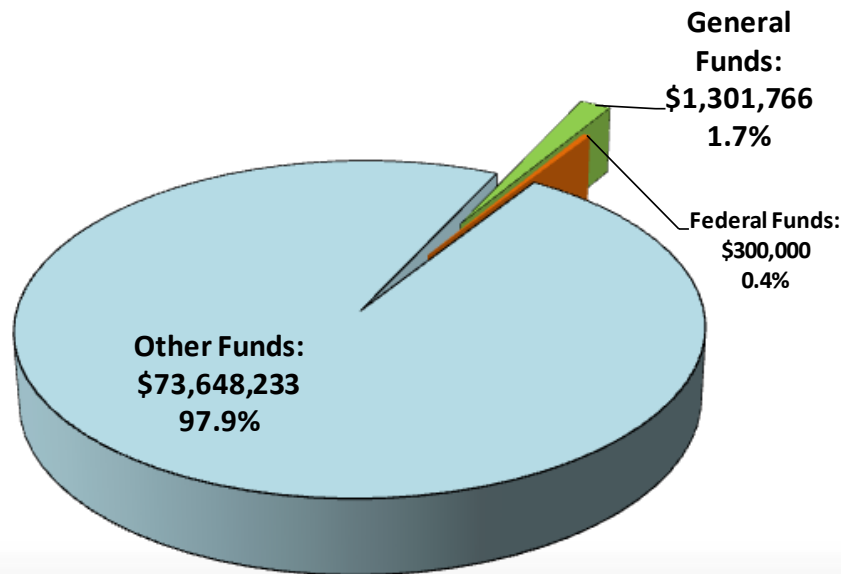
# FY2018 RECOMMENDED BUDGET

## FY2018 Recommended Budget

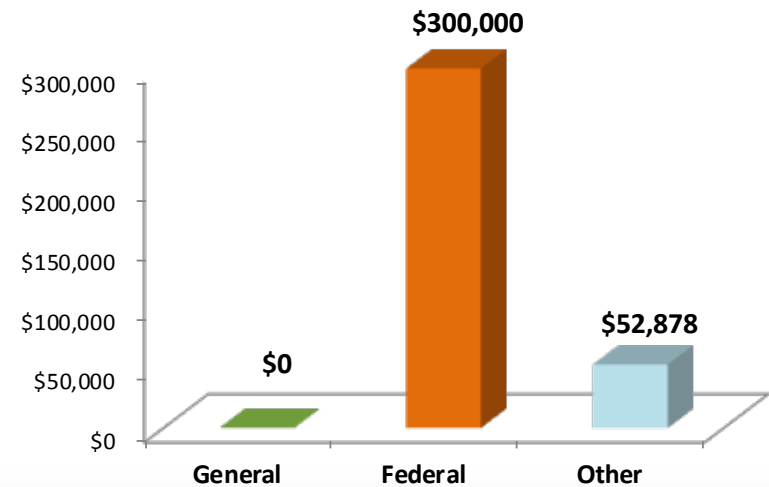
	<u>FTE</u>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
FY2017 Operating Budget	248.5	\$1,301,766	\$0	\$73,595,355	\$74,897,121
FY2018 Requested + / (-)	1.0	\$0	\$300,000	\$52,878	\$352,878
FY2018 Requested Budget	<u>249.5</u>	<u>\$1,301,766</u>	<u>\$300,000</u>	<u>\$73,648,233</u>	<u>\$75,249,999</u>

# FY2018 RECOMMENDED BUDGET

**FY2018 Total Budget  
\$75,249,999**



**FY2018 Budget Requested  
Change +\$352,878**



# COMPARISON OF FY2017 AND FY2018

## Comparison of FY2017 & FY2018 Budgets By Personal Services & Operating Expenses

	Budget FY2017	Recommended FY2018	Increase / (Decrease)
Personal Services	\$16,558,296	\$16,606,918	\$48,622
Travel	\$842,024	\$844,780	\$2,756
Contractual Services	\$42,005,133	\$42,305,133	\$300,000
Supplies	\$5,681,933	\$5,681,933	\$0
Grants	\$9,175,000	\$9,175,000	\$0
Capital Assets	\$341,735	\$343,235	\$1,500
Other	\$293,000	\$293,000	\$0
<b>Total OE</b>	<b>\$58,338,825</b>	<b>\$58,643,081</b>	<b>\$304,256</b>
<b>Total PS &amp; OE</b>	<b>\$74,897,121</b>	<b>\$75,249,999</b>	<b>\$352,878</b>
<b>FTE</b>	<b>248.5</b>	<b>249.5</b>	<b>1.0</b>



## FY2018 Recommended Budget

### Secretariat

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2017 Operating Budget	28.0	\$0	\$0	\$3,801,251	\$3,801,251
FY2018 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2018 Recommended	28.0	\$0	\$0	\$3,801,251	\$3,801,251
Personal Services		\$0	\$0	\$2,156,707	\$2,156,707
Operating Expenses		\$0	\$0	\$1,644,544	\$1,644,544
Total FY2018 Budget		\$0	\$0	\$3,801,251	\$3,801,251

No Recommended Increases

Fund Source: Other Funds - Sales & Use Tax Collection Fund & Motor Vehicle Fund

## FY2018 Recommended Budget

### Business Tax

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2017 Operating Budget	57.5	\$0	\$0	\$4,585,044	\$4,585,044
FY2018 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2018 Recommended	57.5	\$0	\$0	\$4,585,044	\$4,585,044
Personal Services		\$0	\$0	\$3,694,040	\$3,694,040
Operating Expenses		\$0	\$0	\$891,004	\$891,004
Total FY2018 Budget		\$0	\$0	\$4,585,044	\$4,585,044

No Recommended Increases

Fund Source: Other Funds - Sales & Use Tax Collection Fund

## FY2018 Recommended Budget Motor Vehicle

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2017 Operating Budget	46.0	\$0	\$0	\$8,881,819	\$8,881,819
FY2018 Increase / (Decrease)	1.0	\$0	\$300,000	\$52,878	\$352,878
FY2018 Recommended	47.0	\$0	\$300,000	\$8,934,697	\$9,234,697
Personal Services		\$0	\$0	\$2,483,372	\$2,483,372
Operating Expenses		\$0	\$300,000	\$6,451,325	\$6,751,325
Total FY2018 Budget		\$0	\$300,000	\$8,934,697	\$9,234,697

Fund Source: Other Funds - Motor Vehicle Fund & License Plate Revolving Fund

## FY2018 Recommended Budget

- The Department of Revenue FY2018 Recommended Budget includes an increase of \$352,878 over the FY2017 budget.
  - Funding reflects an increase of \$52,878 in other funds and an increase of \$300,000 in federal funds.

The requested increases include the following:

1. Other Funds: Rebuilt Motor Vehicle Program & Investigative Unit.
2. Federal Funds: Commercial Motor Vehicle systems grant.

## FY2018 Recommended Budget Rebuilt Motor Vehicle Program & Investigative Unit Expansion

	<b>Recommended FY2018</b>
<b>Personal Services</b>	<b>\$48,622</b>
<b>Travel</b>	<b>\$2,756</b>
<b>Capital Assets</b>	<b>\$1,500</b>
<b>Total OE</b>	<b>\$4,256</b>
<b>Total PS &amp; OE</b>	<b>\$52,878</b>
<b>FTE</b>	<b>1.0</b>

## FY2018 Requested Budget Rebuilt Motor Vehicle Program & Investigative Unit

- Rebuilt Motor Vehicle Program
  - The Motor Vehicle Division is taking over the responsibilities of the Rebuilt Motor Vehicle program from the Department of Public Safety (DPS) Highway Patrol.
  - Authority transferred by administrative rule to DOR effective 01/01/2017.
  - Thorough investigations will be conducted of the Vehicle Identification Number (VIN) of all parts utilized in the rebuilt vehicle.
  - Approximately 20 inspections/month or 240 /year across the four statewide locations and approximately an hour each for pre-review of VIN information, actual inspection, and MV paperwork.

## FY2018 Requested Budget Rebuilt Motor Vehicle Program & Investigative Unit

- Investigative Unit – Title Fraud
  - Investigative component within Titles & Registration program to assist with the examination and prevention of title and odometer fraud.
  - Several states, including South Dakota, have seen an increase in forged and counterfeit title paperwork.
  - The primary focus will be on title fraud and proper paperwork for processing titles.
  - The agent will also develop a training plan on fraudulent documents for staff and County Treasurer offices.
  - The unit will be an active member of the monthly American Association of Motor Vehicle Administrators (AAMVA) fraud calls and will serve as the preliminary investigative unit before turning cases over to Investigative Services Bureau (ISB) Special Agents or the Attorney General’s Office.



## FY2018 Requested Budget Commercial Motor Vehicle systems grant

- Expansion is for federal grant funds being received by the SD Department of Transportation (SDDOT) from the Federal Motor Carrier Safety Administration (FMCSA), Commercial Vehicle Information Systems Network (CVISN).
- The federal funds may be utilized as Information Technology Deployment grants to advance technological capabilities as well as support and maintain Commercial Vehicle (CMV) systems and networks.





# PROPERTY & SPECIAL TAXES

## FY2018 Recommended Budget Property & Special Taxes

	<u>FTE</u>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
FY2017 Operating Budget	15.0	\$1,301,766	\$0	\$0	\$1,301,766
FY2018 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2018 Recommended	<u>15.0</u>	<u>\$1,301,766</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,301,766</u>
Personal Services		\$1,037,374	\$0	\$0	\$1,037,374
Operating Expenses		\$264,392	\$0	\$0	\$264,392
Total FY2018 Budget		<u>\$1,301,766</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,301,766</u>

No Recommended Increases

Fund Source: General Funds

## FY2018 Recommended Budget

### Audits

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2017 Operating Budget	55.0	\$0	\$0	\$4,609,711	\$4,609,711
FY2018 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2018 Recommended	55.0	\$0	\$0	\$4,609,711	\$4,609,711
Personal Services		\$0	\$0	\$4,010,994	\$4,010,994
Operating Expenses		\$0	\$0	\$598,717	\$598,717
Total FY2018 Budget		\$0	\$0	\$4,609,711	\$4,609,711

No Recommended Increases

Fund Source: Other Funds - Sales & Use Tax Collection Fund & Motor Vehicle Fund



# S.D. LOTTERY – INSTANT AND ON-LINE OPERATIONS

## FY2018 Recommended Budget

### SD Lottery - Instant & On-Line Operations (Informational Budget)

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2017 Operating Budget	21.0	\$0	\$0	\$38,403,677	\$38,403,677
FY2018 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2018 Recommended	21.0	\$0	\$0	\$38,403,677	\$38,403,677
Personal Services		\$0	\$0	\$1,463,661	\$1,463,661
Operating Expenses		\$0	\$0	\$36,940,016	\$36,940,016
Total FY2018 Budget		\$0	\$0	\$38,403,677	\$38,403,677

No Recommended Increases

Fund Source: Other Funds - Instant & On-Line



# S.D. LOTTERY – VIDEO LOTTERY

## FY2018 Recommended Budget SD Lottery - Video Lottery

	<u>FTE</u>	<u>General Funds</u>	<u>Federal Funds</u>	<u>Other Funds</u>	<u>Total</u>
FY2017 Operating Budget	10.0	\$0	\$0	\$2,633,743	\$2,633,743
FY2018 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2018 Recommended	<u>10.0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$2,633,743</u>	<u>\$2,633,743</u>
Personal Services		\$0	\$0	\$691,810	\$691,810
Operating Expenses		\$0	\$0	\$1,941,933	\$1,941,933
Total FY2018 Budget		<u>\$0</u>	<u>\$0</u>	<u>\$2,633,743</u>	<u>\$2,633,743</u>

No Recommended Increases

Fund Source: Other Funds - Video Lottery



# COMMISSION ON GAMING

## FY2018 Recommended Budget Commission on Gaming (Informational Budget)

	FTE	General Funds	Federal Funds	Other Funds	Total
FY2017 Operating Budget	16.0	\$0	\$0	\$10,680,110	\$10,680,110
FY2018 Increase / (Decrease)	0.0	\$0	\$0	\$0	\$0
FY2018 Recommended	16.0	\$0	\$0	\$10,680,110	\$10,680,110
Personal Services		\$0	\$0	\$1,068,960	\$1,068,960
Operating Expenses		\$0	\$0	\$9,611,150	\$9,611,150
Total FY2018 Budget		\$0	\$0	\$10,680,110	\$10,680,110

No Recommended Increases

Fund Source: Other Funds - Deadwood Gaming Administration

## **FY2017 BUDGET CHANGES**

- No changes are being requested to our FY2017 budget appropriations. (SB32 is an Act to revise the General Appropriations Act for fiscal year 2017. )

# **FY2017 EMERGENCY SPECIAL APPROPRIATION**

- An act to make an appropriation to fund tax refunds for elderly persons and persons with a disability, to revise the income eligibility requirements for property and sales tax refunds, and to declare an emergency.
- Pursuant to chapters 10-18A and 10-45A.
- Legislative Session 2016: HB 1081 appropriated \$450,000.

# *Questions?*

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