

# State of South Dakota

EIGHTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2011

438S0421

## HOUSE APPROPRIATIONS

### ENGROSSED NO. **SB 86** - 3/7/2011

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Senators Peters, Haverly, Johnston, Krebs, Maher, Novstrup (Al), Rampelberg, and Rhoden and Representatives Solum, Bolin, Brunner, Dryden, and Verchio

1 FOR AN ACT ENTITLED, An Act to revise the investment fee rate for certain employers and  
2 to declare an emergency.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 61-5-24.1 be amended to read as follows:

5 61-5-24.1. Employers required by this title to pay contributions, except employers that  
6 pursuant to chapter 61-5A reimburse the unemployment compensation trust fund for benefits  
7 paid in lieu of contributions, shall also pay an employer's investment in South Dakota's future  
8 fee, hereinafter "investment fee," on wages as defined by this title. The fee rate for employers  
9 not eligible for experience rating, as defined in § 61-5-20.2, shall be seventy hundredths percent  
10 through calendar year 2006 and fifty-five hundredths percent on and after January 1, 2007. If  
11 an employer is eligible for experience rating, ~~his~~ the employer's reserve ratio shall be determined  
12 pursuant to § 61-5-18.14 and ~~his~~ the employer's investment fee rate shall be the rate appearing  
13 in column "A" on the same line on which ~~his~~ the employer's reserve ratio appears in column "B"



1 of the following rate schedules.

2 From January 1, 1993, to December 31, 2006, inclusive:

| 3  | Column "A"          | Column "B"                |
|----|---------------------|---------------------------|
| 4  | Investment Fee Rate | Reserve Ratio             |
| 5  | 0.70%               | Less than 0.80%           |
| 6  | 0.60%               | 0.80% and Less than 1.00% |
| 7  | 0.50%               | 1.00% and Less than 1.20% |
| 8  | 0.40%               | 1.20% and Less than 1.30% |
| 9  | 0.30%               | 1.30% and Less than 1.40% |
| 10 | 0.20%               | 1.40% and Less than 1.50% |
| 11 | 0.10%               | 1.50% and Less than 1.60% |
| 12 | 0.00%               | 1.60% and Over            |

13 From January 1, 2007, to December 31, 2007, inclusive:

| 14 | Column "A"          | Column "B"                |
|----|---------------------|---------------------------|
| 15 | Investment Fee Rate | Reserve Ratio             |
| 16 | 0.60%               | Less than 1.00%           |
| 17 | 0.50%               | 1.00% and Less than 1.20% |
| 18 | 0.40%               | 1.20% and Less than 1.30% |
| 19 | 0.30%               | 1.30% and Less than 1.40% |
| 20 | 0.20%               | 1.40% and Less than 1.50% |
| 21 | 0.10%               | 1.50% and Less than 1.60% |
| 22 | 0.00%               | 1.60% and Over            |

23 From January 1, 2008, to December 31, 2008, inclusive:

| 24 | Column "A"          | Column "B"                |
|----|---------------------|---------------------------|
| 25 | Investment Fee Rate | Reserve Ratio             |
| 26 | 0.58%               | Less than 1.00%           |
| 27 | 0.50%               | 1.00% and Less than 1.20% |

|   |       |                           |
|---|-------|---------------------------|
| 1 | 0.40% | 1.20% and Less than 1.30% |
| 2 | 0.30% | 1.30% and Less than 1.40% |
| 3 | 0.20% | 1.40% and Less than 1.50% |
| 4 | 0.10% | 1.50% and Less than 1.60% |
| 5 | 0.00% | 1.60% and Over            |

6 From January 1, 2009, to December 31, 2009, inclusive:

|    |                     |                           |
|----|---------------------|---------------------------|
| 7  | Column "A"          | Column "B"                |
| 8  | Investment Fee Rate | Reserve Ratio             |
| 9  | 0.56%               | Less than 1.00%           |
| 10 | 0.50%               | 1.00% and Less than 1.20% |
| 11 | 0.40%               | 1.20% and Less than 1.30% |
| 12 | 0.30%               | 1.30% and Less than 1.40% |
| 13 | 0.20%               | 1.40% and Less than 1.50% |
| 14 | 0.10%               | 1.50% and Less than 1.60% |
| 15 | 0.00%               | 1.60% and Over            |

16 ~~Beginning~~ From January 1, 2010, to December 31, 2010, inclusive:

|    |                     |                           |
|----|---------------------|---------------------------|
| 17 | Column "A"          | Column "B"                |
| 18 | Investment Fee Rate | Reserve Ratio             |
| 19 | 0.55%               | Less than 1.00%           |
| 20 | 0.50%               | 1.00% and Less than 1.20% |
| 21 | 0.40%               | 1.20% and Less than 1.30% |
| 22 | 0.30%               | 1.30% and Less than 1.40% |
| 23 | 0.20%               | 1.40% and Less than 1.50% |
| 24 | 0.10%               | 1.50% and Less than 1.60% |
| 25 | 0.00%               | 1.60% and Over            |

26 Beginning January 1, 2011:

| 1 | <u>Column "A"</u>          | <u>Column "B"</u>                |
|---|----------------------------|----------------------------------|
| 2 | <u>Investment Fee Rate</u> | <u>Reserve Ratio</u>             |
| 3 | <u>0.53%</u>               | <u>Less than 1.00%</u>           |
| 4 | <u>0.50%</u>               | <u>1.00% and Less than 1.20%</u> |
| 5 | <u>0.40%</u>               | <u>1.20% and Less than 1.30%</u> |
| 6 | <u>0.30%</u>               | <u>1.30% and Less than 1.40%</u> |
| 7 | <u>0.20%</u>               | <u>1.40% and Less than 1.50%</u> |
| 8 | <u>0.10%</u>               | <u>1.50% and Less than 1.60%</u> |
| 9 | <u>0.00%</u>               | <u>1.60% and Over</u>            |

10       The terms and conditions of this title which apply to the payment and collection of  
11 contributions also apply to the payment and collection of the investment fee. Proceeds from the  
12 investment fee shall be deposited in the clearing account of the unemployment compensation  
13 fund for clearance only and may not become part of the fund. After clearance, the money  
14 derived from such payments, less refunds made pursuant to the provisions of this title, shall be  
15 deposited in the employer's investment in South Dakota's future special revenue fund as  
16 provided for in § 61-5-24.2. Investment fee payments may not be credited to the employer's  
17 experience rating account and may not be deducted in whole or in part by any employer from  
18 the wages of individuals in its employ.

19       The investment fee rate may not be increased over the applicable 1987 investment fee rate  
20 for any employer with a positive balance in ~~his~~ the employer's experience rating account on the  
21 computation date, as established in rules promulgated by the secretary of labor pursuant to  
22 chapter 1-26, for the current year and the year preceding the current year.

23       The investment rates provided in this section apply to and are retroactive to taxable wages  
24 paid on and after January 1, 1993.

25       Section 2. Whereas, this Act is necessary for the support of the state government and its

- 1 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
- 2 full force and effect from and after its passage and approval.