



# Legislative Research Council

## RULES REVIEW COMMITTEE MINUTES

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**Two Hundred Thirty-ninth Meeting  
Tuesday  
June 10, 2003**

**Room 413  
State Capitol Building  
Pierre, South Dakota**

The two hundred thirty-ninth meeting of the Rules Review Committee was called to order by Chair Senator Royal "Mac" McCracken at 9:00 a.m., June 10, 2003, in Room 413 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering the roll call: Senators Eric Bogue, H. Paul Dennert, and Royal "Mac" McCracken; and Representatives Richard Engels, Jean Hunhoff, and Orville Smidt.

Staff members present included Doug Decker, Code Counsel, and Kris Schneider, Legislative Secretary.

All material distributed at the meeting is attached to the original minutes on file in the Legislative Research Council. For the purpose of continuity, these minutes are not necessarily in chronological order.

### **Approval of Minutes**

*Senator Dennert moved, seconded by Representative Engels, that the minutes of the May 13, 2003, meeting be approved. Motion prevailed unanimously on a roll call vote, with 6 ayes. Members voting aye: Bogue, Dennert, Engels, Hunhoff, McCracken, and Smidt.*

### **Rules Reviewed**

**Department of Revenue and Regulation: Business Tax, Motor Vehicles, Property and Special Taxes** - Adopt, amend and repeal rules regarding appraisers, assessors, motor vehicles, business tax, property tax, and streamlined sales tax.

**Mr. Paul Kinsman** reviewed the proposed rules regarding appraisers and assessors. He stated that the rule regarding the opt out resolution form was being changed to clarify who must sign the form. Also, when a certificate of real estate value shows a selling price of one dollar and stated consideration, assessors will use the current assessed value for the real estate sales cards.

**Ms. Deb Hillmer** reviewed the proposed rules regarding motor vehicles. She stated that the damage disclosure statement was being amended to read that \$5,000 of damage to vehicles less than seven years old must be disclosed. She asked if LRC staff could change the catchline in 64:28:03:04.01 to include January 1, 2003. Mr. Decker responded that staff

would take care of this item. Responsibility for duplicate titles and other duties are being moved from the register of deeds to the county treasurer.

**Mr. Scott Peterson** reviewed the business tax, property tax, and streamlined sales tax proposed rules. He stated that the statewide uniformity of municipal tax on construction materials will be repealed effective January 1, 2004. He explained that you will pay taxes on construction material at the point where you take possession of the property. He also explained the general sourcing rule and how it affects leasing and rentals.

*Representative Smidt moved, seconded by Senator McCracken, to approve the rules proposed by the Department of Revenue and Regulation: Business Tax, Motor Vehicles, Property and Special Taxes. Motion prevailed unanimously on a roll call vote, with 6 ayes. Members voting aye: Bogue, Dennert, Engels, Hunhoff, McCracken, and Smidt.*

**Department of Social Services** - Amend rules to increase the payment standards for all Temporary Assistance for Needy Families (TANF) assistance units.

**Ms. Jill Wellhouse** stated that the proposed rules would be a two percent increase in the TANF grants to eligible households.

*Representative Hunhoff moved, seconded by Senator Bogue, to approve the rules proposed by the Department of Social Services. Motion prevailed unanimously on a roll call vote, with 6 ayes. Members voting aye: Bogue, Dennert, Engels, Hunhoff, McCracken, and Smidt.*

**Department of Social Services** - Amend rules relating to nursing home reimbursement for Fiscal Year 2004.

**Ms. Jill Wellhouse** reviewed the proposed rules.

Representative Engels distributed a memo (**Document #1**) to the committee and Department of Social Services' staff that stated his reasons for opposing the proposed rules. He stated that by cutting the nursing home reimbursements the state was saving \$80,000; however, the State was losing \$150,000 in federal funds. He had recently become aware that the Medicaid program would be receiving \$20 million in new, unexpected money over the next two fiscal years. **Ms. Darla Mayer**, chief financial officer for the department, responded that the proposed rules are as their budget was appropriated by the Legislature. She agreed that the results will have a negative impact; however, forty facilities will see an increase in funding because of the formula used. She stated that federal legislation had recently passed regarding additional funds, but she has not been provided with all of the details yet.

*Representative Smidt moved, seconded by Senator Bogue, to approve the rules proposed by the Department of Social Services. Motion prevailed on a roll call vote, with 5 ayes, 1 nay. Members voting aye: Bogue, Dennert, Hunhoff, McCracken, and Smidt. Member voting nay: Engels.*

**Department of Transportation:** – Prohibit parking on the north side of U.S. Highway 212 in the city of Doland and regarding highway access management.

**Mr. Darin Bergquist** stated that the city of Doland had requested the proposed rule to prohibit parking along 230 feet on the north side of U.S. Highway 212. The amendment to the access management guidelines was necessary because of a typographical error in footnote 5.

*Senator Dennert moved, seconded by Representative Engels, to approve the rules proposed by the Department of Transportation. Motion prevailed unanimously on a roll call vote, with 6 ayes. Members voting aye: Bogue, Dennert, Engels, Hunhoff, McCracken, and Smidt.*

**Department of Revenue and Regulation: State Banking Commission** - Amend the semiannual bank examination fee.

**Mr. Richard Duncan** reviewed the history of the bank examination fee and stated that the one cent increase was necessary to balance the commission's budget.

*Representative Engels moved, seconded by Representative Smidt, to approve the rule proposed by the Department of Revenue and Regulation: State Banking Commission. Motion prevailed on a roll call vote, with 5 ayes, 1 excused. Members voting aye: Bogue, Engels, Hunhoff, McCracken, and Smidt. Excused: Dennert.*

**Department of Revenue and Regulation: South Dakota Lottery** - Update video lottery and Powerball rules.

**Mr. Lee McCahren** reviewed the proposed rules.

In response to Senator Bogue's question if other states advertise lottery winners, **Mr. Clint Harris** responded that it is more common than not. People want to know that there are winners out there.

*Representative Engels moved, seconded by Senator Bogue, to approve the rules proposed by the Department of Revenue and Regulation: South Dakota Lottery. Motion prevailed on a roll call vote, with 5 ayes, 1 excused. Members voting aye: Bogue, Engels, Hunhoff, McCracken, and Smidt. Excused: Dennert.*

**Department of Environment and Natural Resources: Water Management Board** - Amend rules for concentrated animal feeding operations.

**Mr. Kent Woodmansey** reviewed the proposed rules.

*Representative Smidt moved, seconded by Senator McCracken, to approve the rules proposed by the Department of Environment and Natural Resources: Water Management Board. Motion prevailed on a roll call vote, with 5 ayes, 1 excused. Members voting aye: Bogue, Engels, Hunhoff, McCracken, and Smidt. Excused: Dennert.*

**Bureau of Personnel** - Create a senior prescription drug discount program and establish fees for participating pharmacies.

**Mr. Jeff Bloomberg** explained the proposed drug discount program being proposed for citizens 65 years of age and older and for disabled citizens who do not qualify for Title XIX because of the income requirement.

**Mr. Larry Kucker** explained the marketing and application processes that will be implemented.

In response to Representative Hunhoff's question about pill splitting and scored/unscored tablets, **Ms. Marica Jones**, Huron, representing the South Dakota Pharmacists Association, stated that pill splitting is a practice that is allowable. She stated that pharmacists will split the pills for the customer.

*Senator McCracken moved, seconded by Representative Smidt, to approve the rules proposed by the Bureau of Personnel. Motion prevailed on a roll call vote, with 4 ayes, 2 excused. Members voting aye: Engels, Hunhoff, McCracken, and Smidt. Excused: Bogue and Dennert.*

**Department of Labor: Cosmetology Commission** - Adopt rules regarding fees, renewal dates, salon requirements, application requirements, safety and sanitation standards and procedures, school requirements, and continuing education requirements.

**Ms. Susan Monge** explained the proposed rules.

*Senator McCracken moved, seconded by Representative Hunhoff, to approve the rules proposed by the Department of Labor: Cosmetology Commission. Motion prevailed on a roll call vote, with 4 ayes, 2 excused. Members voting aye: Engels, Hunhoff, McCracken, and Smidt. Excused: Bogue and Dennert.*

**Secretary of State: Election Board** - Adopt rules to comply with the requirements of the Help America Vote Act, implement statutory changes in voter residency and registration requirements, provide additional instruction to voters, streamline the information provided on a ballot, clarify how to handle recount discrepancies, change DRE certification requirements, prevent ineligible municipal candidates from filing a petition, provide for voter identification prior to voting and provide secrecy for all absentee ballots.

**Secretary of State Chris Nelson** explained the proposed rules.

*Representative Smidt moved, seconded by Senator McCracken, to approve the rules proposed by the Secretary of State: Election Board. Motion prevailed on a roll call vote, with 4 ayes, 2 excused. Members voting aye: Engels, Hunhoff, McCracken, and Smidt. Excused: Bogue and Dennert.*

**Department of Labor** - Update the workers' compensation medical fee schedule.

**Mr. James Marsh** reviewed the proposed rules.

*Senator McCracken moved, seconded by Representative Smidt, to approve the rules proposed by the Department of Labor. Motion prevailed on a roll call vote, with 5 ayes,*

*1 excused. Members voting aye: Bogue, Engels, Hunhoff, McCracken, and Smidt. Excused: Dennert.*

**Department of Health: Board of Dentistry** - Amend license for dental radiographers.

**Mr. Steve Willard** stated the rule proposed will change the registration for dental radiographers from once every three years to annually and waive the renewal fee.

*Representative Smidt moved, seconded by Senator Bogue, to approve the rule proposed by the Department of Health: Board of Dentistry. Motion prevailed on a roll call vote, with 5 ayes, 1 excused. Members voting aye: Bogue, Engels, Hunhoff, McCracken, and Smidt. Excused: Dennert.*

**Department of Health** - Amend rules under the Health Professional Recruitment Incentive Program.

**Mr. Kevin Forsch** explained that the program was being expanded to include other health occupations.

*Representative Engels moved, seconded by Representative Smidt, to approve the rules proposed by the Department of Health. Motion prevailed on a roll call vote, with 5 ayes, 1 excused. Members voting aye: Bogue, Engels, Hunhoff, McCracken, and Smidt. Excused: Dennert.*

### **Committee Discussion**

After a brief discussion, the committee decided to review the Interim Rules Review Assignments and discuss any changes at the August meeting.

The next Rules Review Committee meeting is scheduled for Tuesday, August 5, 2003.

*Representative Engels moved, seconded by Representative Smidt, that the committee adjourn. Motion prevailed unanimously on a voice vote.*

The committee adjourned at 11:47 a.m.



All Legislative Research Council committee minutes and agendas are available on the South Dakota Legislature's Homepage (<http://legis.state.sd.us>). Subscribe to receive electronic notification of meeting schedules and the availability of agendas and minutes at MyLRC (<http://legis.state.sd.us/mylrc/index.cfm>).