



# Legislative Research Council

## RULES REVIEW COMMITTEE MINUTES

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**Three hundred seventh meeting  
Tuesday  
August 31, 2010**

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

The three hundred seventh meeting of the Rules Review Committee was called to order by Chair Representative Roger Hunt at 10:04 a.m. CDT, August 31, 2010, in Room 414 of the State Capitol, Pierre, South Dakota and via the Digital Dakota Network (DDN) at the following locations: Northern State University, 1200 S. Jay St., Room Lib 117, Aberdeen, South Dakota; Department of Transportation, 901 Dakota St., Huron, South Dakota; Mitchell Technical Institute, 1800 E. Spruce, Room TC 155, Mitchell, South Dakota; Department of Transportation, 2300 Eglin St., Rapid City, South Dakota; University Center, 2205 Career Ave., Room 282 S, Sioux Falls, South Dakota; and Department of Transportation, 1306 W. 31<sup>st</sup> St., Yankton, South Dakota.

A quorum was determined with the following members answering the roll call: Senators James Hundstad, Jean Hunhoff (Vice-chair), and Mike Vehle; and Representatives Peggy Gibson, Roger Hunt (Chair), and David Lust. All members appeared via the DDN. 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 web cast live. The archived web cast is available at the LRC website at <http://legis.state.sd.us> under "Interim Information – Minutes and Agendas."

### **Approval of Minutes**

*Representative Gibson moved, seconded by Senator Hundstad, that the minutes of the July 20, 2010, meeting be approved. Motion prevailed unanimously on a roll call vote with 6 ayes. Members voting aye: Gibson, Hundstad, Hunhoff, Hunt, Lust, and Vehle.*

### **Rules Reviewed**

**Department of Labor: State Plumbing Commission** – Amend rules to adopt the 2009 edition of the Uniform Plumbing Code; revise the format of the plumber examination; repeal plumbing contractors being exempt from examination based on the score of their journeyman plumber examination; and revise the fee structure for plumbing permits.

**Mr. Mike Richards** reviewed the proposed rules. In response to a question regarding the fund balance, Mr. Richards stated that the proposed fees are the maximum allowed by statute.

*Representative Lust moved, seconded by Senator Hundstad, to approve the rules proposed by the Department of Labor: State Plumbing Commission. Motion prevailed unanimously on a roll call vote with 6 ayes. Members voting aye: Gibson, Hundstad, Hunhoff, Hunt, Lust, and Vehle.*

**Department of Social Services: Division of Medical Services** – Amend rules to revise definitions; remove obsolete and duplicative references; update internal references; centralize prior authorization information; remove certain gastric procedures from the list of noncovered services; add liver transplants for qualifying adults to the list of covered organ transplants; revise time limits for submission of claims; clarify existing cost sharing exemptions and age requirements; and revise requirements related to federally qualified health centers and rural health clinics.

**Ms. Laura Ringling, Mr. Larry Iversen, and Dr. Mary Carpenter**, Winner, Medical Consultant for the Department of Social Services, reviewed the proposed rules and answered questions regarding department policies.

*Senator Hundstad moved, seconded by Senator Hunhoff, to approve the rules proposed by the Department of Social Services: Division of Medical Services. Motion prevailed on a roll call vote with 5 ayes, 1 nay. Members voting aye: Gibson, Hundstad, Hunhoff, Lust, and Vehle. Member voting nay: Hunt.*

**Department of Agriculture: Animal Industry Board** – Amend Disease Control and Meat Inspection rules to update current dates of reference material.

**Dr. Mendel Miller** reviewed the proposed rules.

*Representative Gibson moved, seconded by Senator Vehle, to approve the rules proposed by the Department of Agriculture: Animal Industry Board. Motion prevailed unanimously on a roll call vote with 6 ayes. Members voting aye: Gibson, Hundstad, Hunhoff, Hunt, Lust, and Vehle.*

**Department of Revenue and Regulation: Division of Insurance** – Adopt External Review rules to require external reviews of adverse benefit determinations for those covered by health insurance.

**Mr. Randy Moses** reviewed the proposed rules.

*Senator Hunhoff moved, seconded by Representative Hunt, to approve the rules proposed by the Department of Revenue and Regulation: Division of Insurance. Motion prevailed*

*unanimously on a roll call vote with 6 ayes. Members voting aye: Gibson, Hundstad, Hunhoff, Hunt, Lust, and Vehle.*

**Department of Revenue and Regulation: Division of Insurance** – Amend a Premium Tax rule to clarify the definition of "Annuity Considerations Returned"; amend Individual Plans rules to prohibit discrimination in individual health plan coverage based on genetic information; and amend Employer Plans rules to prohibit discrimination in group health plan coverage based on genetic information.

**Mr. Josh Andersen** reviewed the proposed rules.

*Senator Vehle moved, seconded by Representative Lust, to approve the rules proposed by the Department of Revenue and Regulation: Division of Insurance. Motion prevailed unanimously on a roll call vote with 6 ayes. Members voting aye: Gibson, Hundstad, Hunhoff, Hunt, Lust, and Vehle.*

**Department of Revenue and Regulation: Business Tax and Motor Vehicles** – Amend Business Tax rules to comply with the Streamlined Sales Tax Agreement; correct language; and clarify that a daily pass or membership fee to a fitness club is not subject to the municipal gross receipts tax or tourism tax; and adopt a Motor Vehicles rule to make the boat licensing process consistent with other vehicles and trailers.

**Mr. Jon Richter, Ms. Jan Talley, and Ms. Bonnie Glodt** reviewed the proposed rules.

Representative Hunt questioned why a fitness club versus a golf course is not subject to the municipal gross receipts tax.

*Representative Gibson moved, seconded by Senator Vehle, to approve the rules proposed by the Department of Revenue and Regulation: Business Tax and Motor Vehicles. Motion prevailed on a roll call vote with 4 ayes, 1 nay, 1 excused. Members voting aye: Gibson, Hundstad, Lust, and Vehle. Member voting nay: Hunt. Member excused: Hunhoff.*

**Department of Transportation** – Amend a speed zone in Lawrence County on U.S. Highway 85 beginning at the junction with U.S. Highway 14A near the north city limits of Deadwood.

**Mr. Bill Nevin** reviewed the proposed rule.

*Representative Hunt moved, seconded by Representative Gibson, to approve the rule proposed by the Department of Transportation. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Gibson, Hundstad, Hunt, Lust, and Vehle. Member excused: Hunhoff.*

**South Dakota Board of Regents** – Amend rules to allow students an opportunity to complete coursework in Career and Technical education, allow for an alternative calculation

of the credit hour requirements for continuing eligibility in the South Dakota Opportunity Scholarship program, and allow for students pursuing alternative forms of instruction to establish initial eligibility in the program.

**Mr. Paul Turman** reviewed the proposed rules.

*Senator Hundstad moved, seconded by Senator Vehle, to approve the rules proposed by the South Dakota Board of Regents. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Gibson, Hundstad, Hunt, Lust, and Vehle. Member excused: Hunhoff.*

**Department of Game, Fish and Parks** – Amend Motorboats and Watercraft (Boat License Fees and Licensing Period) rules to eliminate the 3 year licensing option for motorboat licenses effective January 1, 2011; amend Waterfowl Hunting Seasons rules to establish season dates, open areas, and establish daily bag and possession limits for duck, coot, and merganser, which would include increasing the daily bag limit for pintails from 1 to 2 contingent upon the pintail harvest strategy at the Flyway level by the U.S. Fish and Wildlife Service, and establish season dates, open areas, and daily bag and possession limits for Canada geese, light geese, and white-fronted geese, which would include increasing the Canada goose daily bag limit from 3 to 4 and the possession limit from 6 to 8 contingent upon approval from the Central Flyway Council and U.S. Fish and Wildlife Service.

**Mr. Bob Schneider** and **Mr. Tony Leif** reviewed the proposed rules.

*Representative Lust moved, seconded by Representative Gibson, to approve the rules proposed by the Department of Game, Fish and Parks. Motion prevailed on a roll call vote with 5 ayes, 1 excused. Members voting aye: Gibson, Hundstad, Hunt, Lust, and Vehle. Member excused: Hunhoff.*

### **Draft Legislation**

Chair Hunt reviewed proposed draft legislation entitled "*An Act to permit the Interim Rules Review Committee to revert a rule if the rule imposes unreasonable costs.*" which was previously provided to the committee (**Document 1**). Following a brief discussion, it was the consensus that the draft more accurately portrays the process for reverting rules back to a prior step if they impose unreasonable cost to a county, municipality, or school district. It was also the recommendation that other governmental entities be included. Chair Hunt and staff will continue to work on the draft.

### **Next Meeting**

The next meeting of the Interim Rules Review Committee will be held on Tuesday, September 28, 2010.

## Adjournment

*Senator Hundstad moved, seconded by Senator Vehle, that the meeting be adjourned. Motion prevailed on a voice vote.*

Chair Hunt adjourned the meeting at 12:44 p.m.

