

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

707B0797

## SENATE BILL NO. 224

Introduced by: Senators Hunhoff and Flowers and Representatives Haley, Koetzle, Lucas, and Volesky

1 FOR AN ACT ENTITLED, An Act to establish certain wage requirements for the recipients of  
2 REDI fund loans.

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

4 Section 1. That chapter 1-16G be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 No person may receive a loan from the revolving economic development and initiative fund  
7 unless the person agrees, as a condition to receiving the loan, to pay to non-management  
8 employees a wage which averages at least ten dollars per hour to any employee whose job is  
9 considered to be the result of the loan. However, the Board of Economic Development may  
10 waive this wage requirement if:

- 11 (1) The loan recipient would be operating a business and providing jobs in a rural area or  
12 a municipality with a population of five thousand or less;
- 13 (2) The loan recipient would be operating a value-added processing facility which  
14 processes farm and ranch commodities;
- 15 (3) The loan recipient would be providing jobs with an average wage below the wage

1 requirement but above the prevailing wage paid within the local community;

2 (4) The loan recipient would be providing jobs which have an average wage below the  
3 wage requirement but above the prevailing wage for the occupation as paid within the  
4 state; or

5 (5) The loan recipient is a locally-owned business in a start-up phase that demonstrates  
6 the ability to pay higher wages once established.