

State of South Dakota

SEVENTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 1999

359C0136

SENATE BILL NO. 5

Introduced by: Senators Benson, Brown (Arnold), Drake, Lange, Reedy, Valandra, and Vitter
and Representatives Jaspers, Lockner, Weber, and Wetz at the request of the
Interim Agriculture Committee

1 FOR AN ACT ENTITLED, An Act to establish the value added agriculture fund and provide
2 for its funding and disbursement.

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

4 Section 1. The value added agriculture fund is established in the state treasury for the
5 purpose of making grants or loans for agricultural research, development, feasibility studies, or
6 marketing. Interest earned on money in the fund shall be credited to the fund.

7 Section 2. There is hereby appropriated from the revolving economic development and
8 initiative fund the sum of three million dollars (\$3,000,000) to the value added agriculture fund.

9 Section 3. That § 10-47B-119 be amended to read as follows:

10 10-47B-119. Any motor fuel consumer may apply for and obtain a refund of fuel taxes
11 imposed and paid to this state, for motor fuel purchased and used by the consumer in motor
12 vehicles, recreation vehicles, and farm equipment used for nonhighway agricultural purposes; or
13 used in vehicles or equipment for nonhighway commercial uses. The portion of this refund
14 attributed to nonhighway use of motor vehicles shall be calculated by multiplying the motor
15 vehicle's average miles per gallon during the claim period times the number of nonhighway miles
16 the vehicle was operated. The average miles per gallon and nonhighway miles shall be supported

1 by actual individual vehicle fuel disbursement records and odometer readings. The portion of this
2 refund attributed to nonhighway machinery and equipment shall be supported by individual
3 vehicle fuel disbursement records. Three cents per gallon of each tax refund shall be deposited
4 in the value added agriculture fund.

5 Section 4. That § 1-16E-4.2 be amended to read as follows:

6 1-16E-4.2. The board shall administer the beginning farmer bond program, make grants or
7 loans from the value added agriculture fund, and make annual recommendations to the
8 Legislature and Governor on programs to develop and promote ~~agricultural processing activity~~
9 value added agriculture in South Dakota, including the initial or subsequent production, use, or
10 processing of any form of agricultural commodity, product, or by-product in this state. The
11 authority's goal is to facilitate the retention of agricultural commodities and products in this state
12 for the maximum feasible time span during the life cycle, use, or consumption of the commodity
13 or product.

14 Section 5. That § 1-16E-24 be amended to read as follows:

15 1-16E-24. The authority may, pursuant to chapter 1-26, adopt such rules or regulations as
16 it deems necessary or desirable to implement the purposes of this chapter, including, but not
17 limited to:

- 18 (1) Setting forth the procedures for applicants to apply for loans or grants under this
19 chapter;
- 20 (2) Establishing criteria for determining which applicants will receive such loans or grants;
- 21 (3) Governing the use of proceeds of such loans or grants;
- 22 (4) Establishing criteria for the terms and conditions upon which such loans or grants
23 shall be made, including the terms of security given, if any, to secure such loans;
- 24 (5) Governing the use of proceeds by lenders of funds advanced to such lenders by the
25 authority including the terms and conditions upon which such proceeds shall be

1 loaned to borrowers for the purposes described in this chapter.

2 Section 6. Administrative expenses for making grants or loans from the value added

3 agriculture fund may not exceed ten percent of the value added agriculture fund's annual revenue.