

# State of South Dakota

SEVENTY-EIGHTH SESSION  
LEGISLATIVE ASSEMBLY, 2003

534I0109

SENATE STATE AFFAIRS COMMITTEE ENGROSSED

NO. **SB 58** - 01/29/2003

Introduced by: Senators Vitter, Albers, Duniphan, Ham, Kleven, and McCracken and  
Representatives Madsen, Lintz, McCoy, McLaughlin, and Pederson (Gordon)

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

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 There is created within the revolving economic development and initiative fund, created in  
7 § 1-16G-3, the value added tourism subfund. The purpose of the subfund is to make grants or  
8 loans for tourism development, feasibility studies, or marketing.

9 Section 2. That chapter 1-16G be amended by adding thereto a NEW SECTION to read as  
10 follows:

11 For purposes of this Act, the term, value added tourism, means the development of new or  
12 underused tourism-related activities, sites, or destinations that use historical, cultural, scenic,  
13 wildlife, or other resources so that new tourists or visitors are drawn to South Dakota or so that  
14 current classes and types of tourists or visitors lengthen their stay in South Dakota or pursue  
15 additional activities or destinations during their stay.



1 Section 3. That chapter 1-16G be amended by adding thereto a NEW SECTION to read as  
2 follows:

3 The Board of Economic Development shall designate three million dollars of the money in  
4 the revolving economic development and initiative fund for the purposes of the value added  
5 tourism subfund.

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

8 The Board of Economic Development shall administer the value added tourism subfund and  
9 make grants or loans from the value added tourism subfund. The value added tourism subfund  
10 shall be used to develop and promote value added tourism in South Dakota.

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

13 In connection with the administration of the value added tourism subfund, the Board of  
14 Economic Development may, pursuant to chapter 1-26, promulgate rules to:

- 15 (1) Set the application procedures for those who apply for loans or grants from the value  
16 added tourism subfund;
- 17 (2) Establish criteria to determine which applicants will receive such loans or grants;
- 18 (3) Govern the use of proceeds of such loans or grants;
- 19 (4) Establish criteria for the terms and conditions upon which such loans or grants shall  
20 be made, including the terms of security given, if any, to secure such loans; and
- 21 (5) Govern the use of proceeds by lenders of funds advanced to the lenders by the board  
22 including the terms and conditions upon which the proceeds shall be loaned to  
23 borrowers for the purposes described in this Act.

24 Section 6. That § 1-16G-24 be amended to read as follows:

1        1-16G-24. Earnings on the revolving economic development and initiative fund, the value  
2        added tourism subfund, and the value added agriculture subfund may be used for the  
3        administrative costs of the Division of Finance of the Governor's Office of Economic  
4        Development. Such earnings shall be expended in accordance with the provisions of Title 4 on  
5        warrants drawn by the state auditor on vouchers approved by the commissioner of the  
6        Governor's Office of Economic Development. Eligible expenses may not exceed total interest  
7        earnings during the previous fiscal year prior to the deduction of loan losses for the same fiscal  
8        year.