

State of South Dakota

EIGHTIETH SESSION
LEGISLATIVE ASSEMBLY, 2005

277L0440

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

SB 154 - 02/22/2005

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Senators Kelly, Broderick, Dempster, Gant, Hansen (Tom), and Napoli and Representatives Weems, Cutler, Dykstra, Krebs, and Kroger

1 FOR AN ACT ENTITLED, An Act to exempt certain entities from the lending license fees and
2 surety bond requirements and bank franchise taxes.

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

4 Section 1. That § 54-4-40 be amended to read as follows:

5 54-4-40. Any person who engages in the business of lending money shall apply for a license
6 as prescribed by §§ 54-4-36 to 54-4-63, inclusive. The applicant shall apply for a license under
7 oath on forms supplied by the division. The application shall contain the name of the applicant's
8 business, proof of surety bond, address of the business, and other information as required by the
9 director by rule or order. The applicant shall pay an original license fee as set by rules of the
10 commission promulgated pursuant to chapter 1-26 not to exceed one thousand dollars. If the
11 application of an existing licensee is for an additional location, the application need only include
12 the location and identity of the location manager, plus any changes from the existing license,
13 or such other information the director may consider necessary. The State of South Dakota, any
14 political subdivision of the state, and any quasi-governmental organization created by an



1 executive order of the State of South Dakota and any subsidiary of such organization; any
2 nonprofit corporation formed pursuant to chapter 47-22; any nonprofit United States Treasury
3 Community Development Financial Institution, Small Business Administration Certified
4 Development Company, or Regional Revolving Loan Fund; or any commercial club, chamber
5 of commerce, or industrial development corporation formed pursuant to § 9-12-11 or 9-27-37
6 is subject to this chapter but exempt from initial license fees, renewal fees, and surety bond
7 requirements under this chapter.

8 Section 2. That § 54-14-2 be amended to read as follows:

9 54-14-2. Any person who engages in the business of a mortgage banker or mortgage broker
10 shall obtain an original license to engage in such business under the terms and conditions of this
11 chapter, shall apply therefor under oath, on forms prescribed by the division, and shall pay an
12 original, nonrefundable license fee as set by rules of the commission promulgated pursuant to
13 chapter 1-26. The fee for a mortgage banker license may not exceed one thousand dollars and
14 the fee for a mortgage broker license may not exceed five hundred dollars. If the application is
15 approved, a license shall be issued.

16 To renew a license, the licensee shall file for renewal by June fifteenth. Licenses shall be
17 renewed on July first. The commission shall establish a renewal license fee by rules
18 promulgated pursuant to chapter 1-26. The renewal fee for a mortgage banker license may not
19 exceed one thousand dollars and the renewal fee for a mortgage broker license may not exceed
20 five hundred dollars. The State of South Dakota, any political subdivision of the state, and any
21 quasi-governmental organization created by an executive order of the State of South Dakota and
22 any subsidiary of such organization; any nonprofit corporation formed pursuant to chapter 47-
23 22; any nonprofit United States Treasury Community Development Financial Institution, Small
24 Business Administration Certified Development Company, or Regional Revolving Loan Fund;

1 or any commercial club, chamber of commerce, or industrial development corporation formed
2 pursuant to § 9-12-11 or 9-27-37 is subject to this chapter but exempt from initial license fees,
3 renewal fees, and surety bond requirements under this chapter.

4 Section 3. That § 54-4-54 be amended to read as follows:

5 54-4-54. Each licensee, whether a corporation or otherwise, shall pay the annual tax
6 provided in chapter 10-43, upon the net income of the licensee, and measured by the net income
7 assignable to such business in South Dakota. The annual tax provided by this section may not
8 be less than twenty-four dollars. The State of South Dakota, any political subdivision of the
9 state, and any quasi-governmental organization created by an executive order of the State of
10 South Dakota and any subsidiary of such organization; any nonprofit United States Treasury
11 Community Development Financial Institution, Small Business Administration Certified
12 Development Company, or Regional Revolving Loan Fund; or any commercial club, chamber
13 of commerce, or industrial development corporation formed pursuant to § 9-12-11 or 9-27-37
14 is exempt from the payment of this tax.

15 Section 4. That § 54-14-6 be amended to read as follows:

16 54-14-6. All licensees under this chapter in addition to the license and other fees provided
17 by this chapter, are required to pay the annual tax provided in chapter 10-43, upon the net
18 income of the licensee measured by the net income assignable to the licensee's business in South
19 Dakota. The State of South Dakota, any political subdivision of the state, and any quasi-
20 governmental organization created by an executive order of the State of South Dakota and any
21 subsidiary of such organization; any nonprofit United States Treasury Community Development
22 Financial Institution, Small Business Administration Certified Development Company, or
23 Regional Revolving Loan Fund; or any commercial club, chamber of commerce, or industrial
24 development corporation formed pursuant to § 9-12-11 or 9-27-37 is exempt from the payment

1 of this tax.

2 Section 5. That § 54-4-36 be amended by adding thereto a NEW SUBDIVISION to read as
3 follows:

4 "Regional revolving loan fund," a regional revolving loan fund with a service area of at least
5 five South Dakota counties, a designated staff for loan processing and servicing, a loan portfolio
6 of at least one million dollars, and which is governed by a board of directors that meets at least
7 quarterly.

8 Section 6. That § 54-14-1 be amended by adding thereto a NEW SUBDIVISION to read as
9 follows:

10 "Regional revolving loan fund," a regional revolving loan fund with a service area of at least
11 five South Dakota counties, a designated staff for loan processing and servicing, a loan portfolio
12 of at least one million dollars, and which is governed by a board of directors that meets at least
13 quarterly.

14 Section 7. That chapter 10-43 be amended by adding thereto a NEW SECTION to read as
15 follows:

16 The State of South Dakota, any political subdivision of the state, and any quasi-
17 governmental organization created by an executive order of the State of South Dakota and any
18 subsidiary of such organization; any nonprofit United States Treasury Community Development
19 Financial Institution, Small Business Administration Certified Development Company, or
20 Regional Revolving Loan Fund; or any commercial club, chamber of commerce, or industrial
21 development corporation formed pursuant to § 9-12-11 or 9-27-37 is exempt from the payment
22 of this tax.