

State of South Dakota

EIGHTY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2006

796M0402

HOUSE STATE AFFAIRS COMMITTEE ENGROSSED

NO. **HB 1145** - 01/25/2006

Introduced by: Representatives Hackl, Cutler, Davis, Faehn, and Halverson and Senators
Bogue and Duenwald

1 FOR AN ACT ENTITLED, An Act to establish the biotechnology incentive fund and to provide
2 for its funding and purpose.

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 The biotechnology incentive fund is hereby created in the state treasury. The biotechnology
7 incentive fund shall be used to make non-securitized, convertible debt instruments for
8 biotechnology development, feasibility studies, or marketing. The Board of Economic
9 Development shall administer the biotechnology incentive fund.

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

12 For purposes of this Act, the term, biotechnology, means the technological development in
13 the areas of molecular biology, genetic engineering, genomics, proteomics, physiomics,
14 nanotechnology, biodefense, biocomputing, and bioinformatics.

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



1 follows:

2 In connection with the administration of the biotechnology incentive fund, the Board of
3 Economic Development may, pursuant to chapter 1-26, promulgate rules to:

- 4 (1) Set the application procedures for those who apply for loans or grants from the
5 biotechnology incentive fund;
- 6 (2) Establish criteria to determine which applicants will receive such loans or grants;
- 7 (3) Govern the use of proceeds of such loans or grants;
- 8 (4) Establish criteria for the terms and conditions upon which such loans or grants shall
9 be made, including the terms of security given, if any, to secure such loans; and
- 10 (5) Govern the use of proceeds by lenders of money advanced to the lenders by the board
11 including the terms and conditions upon which the proceeds shall be loaned to
12 borrowers for the purposes described in this Act.

13 Section 4. That § 1-16G-24 be amended to read as follows:

14 1-16G-24. Earnings on the revolving economic development and initiative fund, the South
15 Dakota entrepreneur program, the value added tourism subfund, ~~and~~ the value added agriculture
16 subfund, and the biotechnology incentive fund may be used for the administrative costs of the
17 Division of Finance of the Governor's Office of Economic Development. Such earnings shall
18 be expended in accordance with the provisions of Title 4 on warrants drawn by the state auditor
19 on vouchers approved by the secretary of tourism and state development. Eligible expenses may
20 not exceed total interest earnings during the previous fiscal year prior to the deduction of loan
21 losses for the same fiscal year.

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

24 The state treasurer shall transfer five million dollars (\$5,000,000) from the state general fund

1 to the biotechnology incentive fund.

2 Section 6. The provisions of section 5 of this Act are repealed on July 1, 2010.

3 Section 7. On July first of each fiscal year, or as soon as the balance for the biotechnology
4 incentive fund is determined, the commissioner of the Bureau of Finance and Management shall
5 transfer any amount in excess of twenty million dollars to the health care trust fund.