

State of South Dakota

EIGHTY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2006

588M0308

HOUSE BILL NO. 1177

Introduced by: Representatives Peters, Dennert, Dykstra, Gillespie, Glenski, Hackl, Hargens, Haverly, Hennies, Klaudt, Kroger, Rounds, Tidemann, Van Etten, and Willadsen and Senators Earley, Apa, Bartling, Greenfield, Hanson (Gary), Kelly, Koskan, Napoli, Schoenbeck, Smidt, and Sutton (Duane)

1 FOR AN ACT ENTITLED, An Act to limit the amount in the Employer's Investment in South
2 Dakota's Future Fund.

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

4 Section 1. That § 61-5-24.1 be amended to read as follows:

5 61-5-24.1. Employers required by this title to pay contributions, except employers that
6 pursuant to chapter 61-5A reimburse the unemployment compensation trust fund for benefits
7 paid in lieu of contributions, shall also pay an employer's investment in South Dakota's future
8 fee, hereinafter "investment fee," on wages as defined by this title. The fee rate for employers
9 not eligible for experience rating, as defined in § 61-5-20.2, shall be seventy hundredths percent.
10 If an employer is eligible for experience rating, his reserve ratio shall be determined pursuant
11 to § 61-5-18.14 and his investment fee rate shall be the rate appearing in column "A" on the
12 same line on which his reserve ratio appears in column "B" of the following rate schedule.

13	Column "A"	Column "B"
14	Investment Fee Rate	Reserve Ratio



1	0.70%	Less than 0.80%
2	0.60%	0.80% and Less than 1.00%
3	0.50%	1.00% and Less than 1.20%
4	0.40%	1.20% and Less than 1.30%
5	0.30%	1.30% and Less than 1.40%
6	0.20%	1.40% and Less than 1.50%
7	0.10%	1.50% and Less than 1.60%
8	0.00%	1.60% and Over

9 The terms and conditions of this title which apply to the payment and collection of
10 contributions also apply to the payment and collection of the investment fee. Proceeds from the
11 investment fee shall be deposited in the clearing account of the unemployment compensation
12 fund for clearance only and may not become part of the fund. After clearance, the money
13 derived from such payments, less refunds made pursuant to the provisions of this title, shall be
14 deposited in the employer's investment in South Dakota's future special revenue fund as
15 provided for in § 61-5-24.2. However, if the revenue collected in fiscal year 2007 exceeds seven
16 million dollars, or the revenue collected in fiscal year 2008 exceeds eight million dollars, or the
17 revenue collected in fiscal year 2009 exceeds nine million dollars, or the revenue collected in
18 any year thereafter exceeds ten million dollars, the excess revenue shall be deposited in the
19 property tax reduction fund created in § 10-13-44. Investment fee payments may not be credited
20 to the employer's experience rating account and may not be deducted in whole or in part by any
21 employer from the wages of individuals in its employ.

22 The investment fee rate may not be increased over the applicable 1987 investment fee rate
23 for any employer with a positive balance in his experience rating account on the computation
24 date, as established in rules promulgated by the secretary of labor pursuant to chapter 1-26, for
25 the current year and the year preceding the current year.

1 The investment rates provided in this section apply to and are retroactive to taxable wages
2 paid on and after January 1, 1993.