

# State of South Dakota

EIGHTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2007

910N0015

## HOUSE BILL NO. 1131

Introduced by: Representatives Tidemann, Burg, Dennert, DeVries, Dykstra, Hackl, Halverson, Howie, Juhnke, Lucas, Moore, Nelson, Noem, Peters, Rausch, Sigdestad, Van Etten, Vanneman, and Vehle and Senators Bartling, Duenwald, Garnos, Greenfield, Hansen (Tom), Hanson (Gary), Hauge, Hundstad, Maher, McNenny, and Peterson (Jim)

1 FOR AN ACT ENTITLED, An Act to increase the amount of funding for conservation and  
2 value-added agriculture purposes from certain unclaimed motor fuel tax refunds.

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

4 Section 1. That § 10-47B-154 be amended to read as follows:

5 10-47B-154. The Legislature finds that not all motor fuel taxes which qualify for the  
6 nonhighway agricultural motor fuel tax refund are, in fact, refunded under the procedure set  
7 forth in this chapter. The Legislature further finds that a certain amount of these unclaimed tax  
8 refunds from the sale of motor fuel for nonhighway agricultural uses should be ~~utilized~~ used for  
9 agricultural purposes in a manner which benefits both agriculture and the citizens of the state  
10 by preserving its natural resources. Therefore, the Legislature declares that an amount equal to  
11 ~~thirty-five percent of~~ one-half of the agricultural gasoline sales as determined by the latest  
12 published information from the USDA - National Agricultural Statistics Service is used for  
13 nonhighway agricultural purposes and eligible for refund of the motor fuel tax. The amount of  
14 eligible tax refunds less the claimed refunds authorized by § 10-47B-119, ~~not to exceed one~~



1 ~~million five hundred thousand dollars in any single fiscal year~~, represents the amount of  
2 unclaimed tax refunds from the sale of motor fuel tax for nonhighway agricultural uses. The  
3 Legislature further declares that it is the policy of this state to use these funds, representing the  
4 unclaimed tax refunds from the sale of motor fuel for nonhighway agricultural purposes, to  
5 implement the Coordinated Soil and Water Conservation Program.

6 Section 2. That § 10-47B-149 be amended to read as follows:

7 10-47B-149. At the beginning of each month, the secretary shall make adjustments to the  
8 motor fuel tax fund balance in the following manner:

- 9 (1) Each July transfer an amount to the snowmobile trails' fund equal to the product of  
10 multiplying the number of licensed snowmobiles as of July first, times one hundred  
11 twenty-five gallons, times the rate of tax provided for motor fuel under this chapter;
- 12 (2) Transfer to the motor fuel tax refund fund an amount to pay motor fuel tax refunds  
13 for the current month;
- 14 (3) Transfer to the motor fuel tax administration account two percent of the deposits  
15 made to the motor fuel tax fund during the preceding month to cover the expenses  
16 incurred in administering all motor fuel and special fuel tax laws of this state. On or  
17 about August first of each year, the preceding year's remaining motor fuel tax  
18 administration account balance, less an amount to provide cash flow within the  
19 account, shall be transferred to the state highway fund. The remaining balance is to  
20 be calculated by subtracting from the total of monthly deposits, the amount of  
21 corresponding expenses. The expense of administering the chapters relating to motor  
22 and special fuel taxation shall be paid out of appropriations made by the Legislature;
- 23 (4) ~~Transfer~~ Each September transfer an amount to the coordinated soil and water  
24 conservation fund ~~an amount equal to thirty-five percent~~ the remainder of the product

1 of multiplying one-half of agricultural gasoline sales as determined by the latest  
2 published information of the USDA - National Agricultural Statistics Service, times  
3 the rate of tax provided for motor fuel under this chapter less the amount of the  
4 claimed refunds authorized by § 10-47B-119 for the ~~preceding month, not to exceed~~  
5 ~~a cumulative total of one million five hundred thousand dollars in any single~~ fiscal  
6 year;

7 (5) Each July transfer to the parks and recreation fund an amount equal to the product of  
8 multiplying the number of licensed motorized boats as of the previous December  
9 thirty-first, times one hundred forty gallons, times the rate of tax provided for motor  
10 fuels under this chapter;

11 (6) Transfer to the member jurisdictions taxes collected under the provisions of the  
12 international fuel tax agreement; and

13 (7) Transfer the remaining cash balance to the state highway fund.

14 Section 3. That § 38-7-26 be amended to read as follows:

15 38-7-26. The coordinated soil and water conservation fund shall consist of money  
16 transferred from the unclaimed tax refunds from the sale of motor fuel for nonhighway  
17 agricultural uses in the motor fuel tax fund as provided in ~~§ 10-47A-11~~ § 10-47B-149, and all  
18 public and private sources including legislative appropriations or federal grants. An amount  
19 equal to 13.65 percent of the unclaimed tax refunds from the sale of motor fuels for nonhighway  
20 agricultural uses in the motor fuel tax fund as provided in § 10-47B-149 shall be used for value-  
21 added agriculture development. The Conservation Commission shall, by rules promulgated  
22 pursuant to chapter 1-26, establish a contingency reserve within the coordinated soil and water  
23 conservation fund to address natural resource emergencies.

24 Section 4. That § 38-7-27 be amended to read as follows:

1        38-7-27. The Coordinated Soil and Water Conservation Program is hereby established.  
2        Under this program, the State Conservation Commission may grant or loan funds from the  
3        coordinated soil and water conservation fund. The Conservation Commission shall promulgate  
4        rules pursuant to chapter 1-26 for administration, terms, and conditions for the disbursement of  
5        grants or loans to conservation districts and to establish criteria for the selection of projects to  
6        receive grants or loans through the Coordinated Soil and Water Conservation Program. The  
7        Conservation Commission shall promulgate rules pursuant to chapter 1-26 for administration,  
8        terms, and conditions for the disbursement of grants or loans to qualified applicants for value-  
9        added agriculture development.