



Legislative Research Council

FIFTY-FOURTH INTERIM REPORT November 2010

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AGRICULTURAL LAND ASSESSMENT IMPLEMENTATION AND OVERSIGHT ADVISORY TASK FORCE

The Agricultural Land Assessment Implementation and Oversight Advisory Task Force consists of four members of the House of Representatives, four members of the Senate, and six members of the general public (at least two of the general public members shall have an agricultural background and at least two of the general public members shall have a business background).

Study Assignment

The task force shall review the implementation of the provisions of law concerning the assessment and taxation of agricultural land and advise the Department of Revenue and Regulation regarding the rules promulgated by the Department to administer the provisions concerning the assessment and taxation of agricultural lands. In addition, the task force shall make recommendations in the following areas:

1. The proper percentage of annual earning capacity to be used to determine the agricultural income value for cropland and noncropland; and
2. The proper capitalization rate that minimizes the shift in total taxable value between agricultural land and the other property classifications.

Summary of Interim

The interim Agricultural Land Assessment Implementation and Oversight Advisory Task Force held its first meeting on August 25. Senator Larry Rhoden, Chair, stated that first year of using the productivity methodology to assess agricultural land followed a long process of moving from the market to productivity. The role of the task force is to provide oversight and monitoring of the ag land assessment process, make recommendations and changes to the Department, and submit legislation to address issues.

Michael Kenyon, Director of the Division of Property and Special Taxes, provided the task force an update on the ag land assessment values and proposed administrative rules pertaining to easements on ag land that limit productivity. Mr. Kenyon provided charts showing how the assessment values will change in the upcoming year based on the revenue data used to measure the productivity of the land. The cropland productivity value per acre increased more than 10% in 59 of the 66 counties. There are by law, however, limitations on the increase or decrease of the taxable value of land during the transition from market to productivity which applies to many of these counties. These limitations or caps are in place until the 2017 property taxes payable.

Mr. Kenyon stated that the department has a proposed administrative rule for certain easements. This rule addresses landowners with land that has crop rated soils but the owner is unable to plant a crop on the land due to specific easements. This land may be valued as noncropland. The easements include: a permanent easement which must run for at least 29 years, a contractual provision imposed by the Office of School and Public Lands; or an ordinance protecting water supplies.

Dr. Burton Pflueger, Professor of Economics at South Dakota State University, reported on the most recent data collected for the productivity system and his findings regarding a different methodology for valuing noncropland by using an animal unit carrying capacity for the assessing land. One alternative would be to take the reported forage yield and convert it to an animal yield equivalent. That information would be utilized to determine the revenue for noncropland. Dr. Pflueger is searching for a database of information that will be available for every county in South Dakota. Currently, cash rent information is used in the process for assessing noncropland. Dr. Pflueger did not recommend a change to the landlord share percentage at this time.

Carter Anderson, Director of the South Dakota Field Office for the National Agricultural Statistics Service, provided an overview of the data collected and reported by his agency. He responded to questions regarding the methodology used to survey agricultural production.

The task force reviewed projections for cropland assessments based on the current trend of production and commodity prices during its second meeting. There was an in-depth discussion regarding the landlord share used in the productivity model given the input costs to produce a crop and whether it is a reflection of the landlord share commonly used in agreements. The task force requested that the department and SDSU further evaluate the landlord share and provide an analysis as to whether it is set at the appropriate percentage. The task force recommended that an evaluation of the landlord share be a top priority for the next task force.

The department reported to the task force the reasons it withdrew the proposed rule regarding the assessment of land restricted to noncropland purposes by a permanent easement. The task force discussed the alternative of using actual use instead of the highest and best use when assessing noncropland. The task force has received testimony supporting and opposing legislation on this matter and the task force plans to continue to collect data and continue its review on this matter.

The task force reviewed draft legislation regarding provisions concerning the assessment of agricultural land and deliberated on the duties assigned to the task force by SDCL 10-6-33.35 for making recommendations to the Legislature.

Public Testimony

The meetings were generally well attended by many interested parties representing the agricultural and businesses associations, directors of equalization, and other interested taxpayers. Several comments were made regarding issues that emerged during the process such as soil ratings in some counties which may have been incorrect for years under the market system were discovered. Testimony was made regarding the transition of the total assessed value from cropland to noncropland in some counties which narrowed the difference in the assessed value of land between the two categories. This transition may have occurred from a change or removal of the adjustment factors in the assessment process. The task force was asked to consider a special property assessment for permanent grassland regardless of the soil rating. It may difficult or impossible to use certain land, based solely on soil ratings, for its highest and best use due to rocks, obstructions, and topography. Testimony was given in support and against the use of easements as means to assess land with crop rated soil as noncropland. It was suggested that the task force consider the creation of three ag land categories: farmland, grassland, and wasteland.

Listing of Legislation Adopted

1. *An Act to revise certain provisions regarding the documentation of data used to make adjustments for factors that affect the capacity of the land to produce agricultural products during the assessment process.*

The proposed legislation clarifies whether the director of equalization may use certain sales data to document the adjustment for certain factors that affect the productivity of the land.

2. *An Act to revise certain provisions concerning the assessment of agricultural land.*

The draft legislation reflects current practices of data used in the productivity model and gives the task force the ability to recommend other data sources to the Legislature to add to the database.

Summary of Meeting Dates & Places and Listing of Task Force Members

The task force met on August 25 and November 8 in Pierre.

Task Force Members Were: Senator Larry Rhoden, Chair; Representative Kristi Noem, Vice Chair; Senators Gary Hanson, Dave Knudson, and Jim Peterson; Representatives Justin Cronin, H. Paul Dennert, and Steve Street; and Public Members Walter I. Bones III, Kirk Chaffee, Curt Everson, Larry Gabriel, Ron Olinger, and Duane Sutton.

Staff members were: Fred Baatz, Principal Research Analyst; and Lisa Shafer, Legislative Secretary.

JOINT COMMITTEE ON APPROPRIATIONS

Study Assignment

A continuing review of the appropriations process.

Summary of Interim

The Joint Committee on Appropriations (JCA) did not issue any letters of intent pursuant to the 2010 session.

At its June 10, 2010 meeting the JCA:

- Concurred with a recommendation of the LRC staff to proceed with updates to the agency analyses and the fiscal portion of the website.
- The Committee approved the proration of interest earnings as recommended by the Bureau of Finance and Management.
- Approved a Board of Regents transfer of FY11 funds as requested.
- Heard agency presentations as follows:
 - **Bureau of Finance and Management** – (proration of interest earnings, summary of transfers to date, outlook and plans relative to extension of federal funds for FMAP)
 - **Board of Regents** – (requested approval of FY11 transfers)
 - **Implementation of Agency Budget Reductions** – (executive agencies, Board of Regents, elected officials and legislature)
 - **Miscellaneous Written Reports** – (federal risk pool participation, drug court, tourism tax, and master of Social Work Degree program)
- Additional information regarding the Medicaid budget and the Midwestern Higher Education Compact Dues was discussed. The Committee adopted a motion directing payment of Compact dues from unobligated Legislative Research Council funds.

Because of financial constraints resulting from the economic crisis, the JCA decided to forego the East- and West-River Tours for this year. The tours are considered valuable to the work of the Committee and will resume next year if financial circumstances permit.

At the November 12, 2010 meeting, the JCA considered reports as follows:

- **LRC Staff** – (budget update, new fiscal component of LRC website, and revised format and new delivery system for agency budget analysis)
- **Bureau of Finance and Management** – (budget transfers, implementation of FY11 budgets, additional federal stimulus funding, FY12 agency budget requests, new capital budget listing, and requested bonus and unscheduled salary increase data)
- **Board of Regents** – (updates on housing policy and criteria, closure of School for the Deaf, and 7 written reports submitted by the Regents in response to specific JCA questions and statutory requirements)
- **Homestake / DUSEL** – (outcome of recent NSB visit, current developments at the DUSEL, future funding plans/goals, and FTE implementation)

- **Governor's Office** – (federal risk pool implementation and federal funding for study of insurance exchanges)
- **Department of Social Services** – (budgetary impact of new Aging & Disability Resource Center and budgetary impact of rejection of proposed rules relating to cost settlements with providers)
- **Department of Public Safety** – (status of federal grant regarding DUIs and one written report requested by a member related to a budgetary transfer dealing with radio replacements)
- **Department of Veterans Affairs** – (reports on the status of both the East- and West-River Vets Homes)
- **Department of Game, Fish and Parks** – (report on new Blood Run State Park)
- **Department of Health** – (report on information technology implementation)
- **Department of Education** – (2 written reports submitted in response to a previous letter of intent and a specific JCA questions raised at the June meeting)
- **Unified Judicial System** - (2 written reports submitted in response to specific JCA questions raised by JCA members)

The JCA appointed one feedback subcommittee to provide policy-level reaction to drafts of the staff revision of the agency budget analyses. It was possible to accomplish the objectives of this subcommittee without the necessity and expense of convening a formal meeting.

Listing of Legislation Adopted

None.

Listing of Committee Members

Representative Larry Tidemann (Co-Chair); Senator Jean Hunhoff (Co-Chair); Senators Dan Ahlers, Julie Bartling, Corey Brown, Jeffrey Haverly, Jim Hundstad, Al Novstrup; Representatives Quinten Burg, Lance Carson, Thomas Dadrack, H. Paul Dennert, Deb Peters, J.E. "Jim" Putnam, Dean Wink, and Susan Wismer.

LRC Staff

Staff members included: Fred Schoenfeld, Chief Fiscal Analyst; Annie Mehlhaff, Principal Fiscal Analyst, Sue Cichos, Senior Fiscal Analyst; Terry Miller, Senior Fiscal Analyst; Aaron Olson, Senior Fiscal Analyst; and Lisa Shafer, Legislative Secretary.

BUREAU OF ADMINISTRATION AGENCY REVIEW COMMITTEE

Study Assignment

The Bureau of Administration (BOA) Agency Review Committee was one of two agency reviews, or "sunset" committees, conducted during the 2010 legislative interim. Each year since 2003, pursuant to state law codified at SDCL 1-26E-1 to 1-26E-8, inclusive, the Executive Board of the Legislative Research Council selects two state agencies for study and assessment.

Summary of Interim

The Bureau of Administration Agency Review Committee began its study with a historical perspective of the sunset process and typical study plan given by Reuben Bezpaletz, Chief Analyst for Research and Legal Services. The Bureau of Administration (BOA) gave an overview of the agency's authority, mission, and organization. Commissioner Mr. Jeff Bloomberg and key agency personnel gave the presentation and answered committee questions. The following key personnel and divisions participated in the presentation: Mr. Jim Neiles, Budget and Finance Director; Mr. Dwane Russell, Space Management Manager; Mr. Leo Disburg, Chief Hearing Examiner; Mr. Dana Hoffer, Records Management Manager; Mr. Roger Getz, Central Mail Manager; Mr. Daryl Miller, Federal Surplus Property Manager; Mr. Steve Stoneback, Buildings & Grounds; Ms. Kristi Honeywell, State Engineer; and Ms. Ann Hirsch, Central Duplicating Manager.

The BOA's primary mission is to provide administrative and support services to state government agencies, institutions, and various political subdivisions. Administrative support services available include purchasing, central duplicating, central post office, buildings and grounds maintenance/construction projects, central supply, space management, and surplus property (state and federal). BOA has a budget of \$36,892,099 and 173.5 FTE. The committee heard explanations and discussed the following items: BOA's billing rates and how they are set and billed to the various agencies; a summary of leases and how space is managed; a summary of the administrative hearings process, records management services, central mail, and central duplicating services; federal surplus property management; maintenance of 23 buildings covering 857,830 square foot on 200 acres of grounds; and services of the State Engineers Office. The meeting also included a tour of the central services building and an overview of central duplicating and central mail.

The second meeting began with a continuation of the agency's presentation by Commissioner Bloomberg and key personnel. Mr. Dennis Rounds, Manager, gave an overview of the state's risk management functions. Mr. Jeff Holden, Manager, gave an overview of the state's procurement management and the bidding process. Mr. John DeLoache, Manager, explained the history and functions of the state's fleet & travel management. The committee received a "Fleet Fuel Fact Sheet" which detailed fuel use. The state is increasing its ethanol blend usage and for FY10 it used 50% E10 and 3% E85 compared to 12% regular, 34% diesel and 1% biodiesel in its vehicle fleet. State vehicles traveled 37,000,000 miles last year.

Commissioner Bloomberg, along with key staff, discussed the responses to seven follow-up questions from the first meeting. Areas covered in the responses included the following: information on BOA's other funds; historical comparison of square footage usage; the federal surplus property fund; miscellaneous rents; historical listing of statewide M & R (maintenance

and repair) unfunded projects; an update on the obsolete buildings at the Human Services Center in Yankton; and the PEPL fund.

The committee received an update of the review of statutes governing the BOA. The meeting also included a tour of the Fleet and Travel Management Office and the Records Management Office. No one appeared to provide public testimony. (Notice was sent to the interested parties list provided by BOA. In addition to the interested parties list, notices were sent to 230 vendors from the State Engineer's Office database as well as an e-mail notice to all 1,200 registered bidders.)

The third and final meeting began with Commissioner Bloomberg discussing his written responses to the questions posed at the second meeting. Commissioner Bloomberg explained how long the BOA had been in existence and some history of the agency. He also commented on the question of whether a bill should be drafted to eliminate BOA. The committee then reviewed two pieces of draft legislation dealing with the use of the state seal and "clean-up" of BOA statutes. Secretary of State Chris Nelson and Commissioner Bloomberg each discussed the need to revise the awkward language that currently pertains to the use of the state seal. Both pieces of legislation were unanimously approved by the committee for recommendation as committee bills. At its conclusion, the committee recognized that the agency should be continued, having found the department met the burden of establishing sufficient need is present to justify its continued existence and moved not to sunset the BOA.

Listing of Legislation Adopted

1. An Act to repeal, update, and make form and style revisions to certain provisions related to the Bureau of Administration.

This Act revises awkward or archaic language in BOA statutes, amends these statutes to use gender-neutral terms, and makes these statutes consistent with current drafting style. The Act also deletes several statutes that are no longer relevant.

2. An Act to revise certain provisions regarding the use of the state seal.

This Act clarifies authority regarding the use of the state seal.

Summary of Meeting Dates and Places

The Bureau of Administration Agency Review Committee met at the State Capitol in Pierre on the following dates: July 26, 2010; August 25, 2010; and October 5, 2010.

Listing of Committee and Staff Members

Committee members: Representative Timothy Rave, Chair; Senator Jeffrey Haverly, Vice Chair; Senators Dan Ahlers, Pam Merchant, and Craig Tieszen; Representatives Dennis Feickert, Mark Kirkeby, J.E. "Jim" Putnam, Darrell Solberg, Dean Wink, and Susan Wismer. Staff members: Sue Cichos, Senior Fiscal Analyst; David Ortbahn, Principal Research Analyst; and Kris Schneider, Senior Legislative Secretary.

CODE COMMISSION (SOUTH DAKOTA)

Study Assignment

The Code Commission supervises the publication of the South Dakota Codified Laws, corrects errors to the code, assists the code counsel, makes recommendations to the Legislature, and contracts for replacement volumes.

Summary of Interim

Publishing Contract – The Code Commission extended the contract with Thomson West for publication of the South Dakota Codified Laws (Code) for another year. The term of the contract extension begins on July 1, 2010, and continues until June 30, 2011, unless terminated earlier. Under the contract extension, the cost for the purchase of the Code was increased by 2.5%. The Code Commission is reviewing forms that are published in the Code and has asked for the assistance of the members of State Bar Association.

Replacement Volumes – The Code Commission met on June 18, 2010, to conduct routine business regarding the ongoing update of the Code. In that regard the Commission authorized the reprinting of *Volume 7* of the Code.

New Members – The Code Commission will need to replace two members due to the results of this past election cycle with Representative Deadrick seeking statewide office as opposed to a legislative seat and Senator Turbak-Berry being defeated in the recent general election. A senate member will be appointed by the President Pro Tempore of the Senate and a house member will be appointed by the Speaker of the House. The Code Commission will meet during the early schedule of the next legislative session to renew the Code publishing contract.

Listing of Legislation Adopted

Annual codification of the previous year's legislation.

An Act to codify legislation enacted in 2010.

Summary of Meeting Dates and Places

The Code Commission met two times. They met on February 18, 2010, at the State Capitol in Pierre and held one meeting in conjunction with the State Bar Association on June 18, 2010, in Rapid City.

Listing of Committee Members

Code Commission members are Michael DeMersseman (Chair), Lee McCahren (Vice-Chair), Representative Thomas J. Deadrick, Tom Lee, and Senator Nancy Turbak.

Listing of Staff Members

Staff members were Doug Decker, Code Counsel, and Kris Schneider, Senior Legislative Secretary.

DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES AGENCY REVIEW COMMITTEE

Study Assignment

The Department of Environment and Natural Resources (DENR) Agency Review Committee was one of two agency reviews, or "sunset" committees, conducted during the 2010 legislative interim. Each year since 2003, pursuant to state law codified at SDCL 1-26E-1 to 1-26E-8, inclusive, the Executive Board of the Legislative Research Council selects two state agencies for study and assessment. The standard study plans for this type of oversight committee includes:

- 1) An in-depth presentation by agency staff of the agency's programs, personnel, mission, and performance;
- 2) A physical walk-through of the agency's facilities;
- 3) Committee selection of focus topics;
- 4) A major public hearing with testimony from all interested parties;
- 5) Preparation and approval of legislation in response to committee or agency concerns; and
- 6) Committee evaluation of agency performance and possible suggestions or directives for the agency.

Summary of Interim

The Department of Environment and Natural Resources Agency Review Committee began its study with a historical perspective of the sunset process given by Reuben Bezpaletz, Chief Analyst for Research and Legal Services. The secretary of DENR, Steve Pirner, provided the committee with a snapshot of DENR and the environment in South Dakota - "Then and Now".

The DENR presentation was continued by other key personnel providing more detailed information regarding various programs within the department. The programs and key personnel who participated were as follows: Division of Financial and Technical Assistance, David Templeton, Director; Water Resources Assistance Program, Jim Feeney, Program Administrator; Geological Survey Program, Derric Iles, State Geologist; Division of Environmental Services, Tim Tollefsrud, Director; Air Quality Program, Brian Gustafson, Program Administrator; Drinking Water Program, Mark Mayer, Program Administrator; Ground Water Quality Program, Bill Markley, Program Administrator; Minerals and Mining Program, Bob Townsend, Program Administrator; Surface Water Quality Program, Jeanne Goodman, Program Administrator; Waste Management Program, Vonni Kallemeyn, Program Administrator; and Water Rights Program, Garland Erbele, Program Administrator. The meeting also included a tour of the department's offices in the Joe Foss Building and a demonstration of air quality monitoring equipment and a GIS mapping and monitoring system for sand, gravel, and other raw materials.

The second meeting began with follow-up responses to committee questions from the first meeting. The topics that were addressed included: Lakes on the 2010 total maximum daily load list, recycling grants; lessons from Lonetree; air quality standards; EPA's spill prevention control and countermeasures plan; environmental penalties; and DENR's succession planning.

Tom Magedanz, Principal Research Analyst, presented a sample draft of a form and style revision of the department's statutes. The intent of the legislation is to modernize and simplify the statutory language while not making substantive changes to the law.

The committee then heard oral and written testimony regarding the policies and performance of DENR. The committee heard from Bob Pesall, Dell Rapids; Michael Schmidt, Moody County; David German, Brookings; Linda Simmons, Twin Brooks; Greg Powell, City Engineer of Chamberlain; Jay Larson, Midwest Assistance Program; Jay Gilbertson, East Dakota Water Development District; Rick Vallery, South Dakota Wheat, Inc.; and Dennis Davis, South Dakota Association of Rural Water Systems (written). During the public testimony, the committee heard concerns regarding the engineering of a waste handling system at a confined animal feeding operation in Moody County, DENR's permitting process, river fencing, the need to adopt phosphorous standards in South Dakota, and the simplification of state regulations. In addition, there was complimentary testimony given regarding DENR's cooperation and assistance in dealing with environmental issues.

At the third meeting, the committee reviewed form and style clean-up legislation. The clean-up legislation was unanimously approved by the committee for recommendation as a committee bill.

At its conclusion, the committee recognized that the Department of Environment and Natural Resources should not be sunsetted.

Listing of Legislation Adopted

1. An Act to make form and style revisions to certain statutes related to natural resources.

This Act revises awkward or archaic language and amends statutes that are gender specific to modernize language and make the statutes consistent with current drafting style.

Summary of Meeting Date and Places and Listing of Committee Members.

The DENR Agency Review Committee met on July 21, and August 24, in the State Capitol in Pierre, and October 19 via Teleconference.

Committee members were: Senator Tom Hanson, Chair; Representative Kim Vanneman, Vice Chair; Senators Jim Bradford, Art Fryslie, Frank Kloucek, and Larry Rhoden; and Representatives Thomas Brunner, Jason Frerichs, Peggy Gibson, Charles Hoffman, Larry Lucas, Dean Schrempp, and Larry Tidemann.

Staff members were: Aaron Olson, Senior Fiscal Analyst; Tom Magedanz, Principal Research Analyst; Fred Baatz, Principal Research Analyst; and Lisa Shafer, Legislative Secretary

RULES REVIEW COMMITTEE

Study Assignment

A review of proposed state agency rules.

Summary of Interim

By the end of this interim, the Rules Review Committee will have had held eight meetings and will have reviewed approximately 75 sets of rules. The committee has two additional meetings scheduled for later this year. One meeting is scheduled for November 17th and another tentatively set for December 20th.

As usual, the rules reviewed this year were from several of the Executive Branch agencies, licensing boards, and regulatory commissions. Typically, the rules updated the routine operations of state government.

There was one rule proposal from the Department of Social Services that was sent back to an earlier step in the rules process. The proposed rule was deemed necessary in order to maintain the agency's approved budget which included no discretionary inflation increase. However based upon public testimony at the meeting, the Rules Review Committee voted to revert ARSD 67:16:03:06.06 to a prior step in the rule adoption process to allow the agency to rewrite the rule so it could be more equitable under the circumstances. Subsequently, the agency withdrew the proposed rule.

The committee continues to work to make better use of the electronic media and conferencing. This year's experience reinforces the idea that electronic conferencing continues to be a work in progress. The committee experienced technical difficulties which disrupted the September 28th meeting.

Listing of Legislation Adopted

One bill is proposed this year.

An Act to permit the Interim Rules Review Committee to revert a rule if the rule imposes unreasonable costs.

Summary of Meeting Dates and Places

The Rules Review Committee met via the Dakota Digital Network (DDN) in Pierre and at other teleconferencing sites in the state on the following dates: March 11, 2010; April 20, 2010; June 8, 2010; July 20, 2010; August 31, 2010; and September 28, 2010. The committee is scheduled to meet on November 17, 2010, and has tentatively set December 20, 2010, to consider any rules that need to be considered before the legislative session begins.

Listing of Committee Members

Committee members were Representative Roger Hunt (Chair); Senator Jean Hunhoff (Vice-Chair); Senators Jim Hundstad and Mike Vehle; and Representatives Peggy Gibson and David Lust.

Listing of Staff Members

Staff members were Doug Decker, Code Counsel, and Kris Schneider, Senior Legislative Secretary.

STATE-TRIBAL RELATIONS STUDY COMMITTEE

Study Assignment

The State-Tribal Relations Study Committee is an ongoing interim committee that was created in statute (SDCL 2-6-20 through 2-6-23) in 1993 as a part of the state's reconciliation efforts. The statute directs the committee to make a continuing study of the relations between the state and its political subdivisions and the tribes and their tribal governments. The committee provides a forum within state government for discussion by Indians and non-Indians of issues affecting the Native American community and issues involving Tribal governments and State government. The committee also serves as a way of familiarizing legislators with such issues.

Summary of Interim

The State-Tribal Relations Study Committee held three meetings during the 2010 Interim: a meeting at the Capitol in Pierre on March 10, a meeting in Pierre on June 17, 2010, and a two-day meeting at Agency Village and Sisseton with the Sisseton-Wahpeton Oyate on September 23-24, 2010.

The committee held an informational meeting in the Capitol in Pierre on March 10, 2010, during the legislative session. At the March 10 meeting, the committee heard public testimony on a variety of topics and discussed possible study topics and plans for the interim. Committee members agreed that it is beneficial to hold some of the committee's meetings on reservations and suggested contacting all South Dakota tribes to determine meeting locations for 2010. The committee also decided to write a letter of support for the proposed Crazy Horse National Scenic byway in the southeastern part of the state. The committee took public testimony at the meeting.

At the June 17 meeting in Pierre, the committee heard several presentations from state agencies affecting Native Americans. Charles McGuigan of the Office of the Attorney General discussed land and jurisdiction issues on reservations and other areas fitting the legal definition of "Indian Country". He also discussed treaties and Congressional actions that led to the current system of reservations and trust land, as well as a discussion of criminal and civil jurisdiction on reservation areas. Ms. Laurie Feiler, Department of Corrections, updated the committee on the South Dakota corrections system as it affects the Native American population. She discussed characteristics of the inmate population and activities and initiatives to meet the needs of Native American inmates, including spiritual and cultural activities, and programs designed to help the transition back into the community. Ms. LuAnn Werdel, Director of the Office of Indian Education, Department of Education, gave a presentation to the committee on education issues affecting Native American youth and the activities of the department and the Office of Indian Education, including several programs designed to improve educational opportunity for Native American students and to make the transition to postsecondary education more successful. The committee also heard public testimony.

The committee's third meeting was held on September 23-24, 2010 with the Sisseton-Wahpeton Oyate at the Tribal Headquarters in Agency village, at the Dakota Sioux Casino near Watertown, and at various facilities in Sisseton. The committee began the meeting at the Dakota Sioux Casino and received a briefing from the casino's general manager on casino operations and on gaming issues and received a tour of casino facilities. The committee then

moved to Agency Village and heard a series of presentations from tribal officials, including the Tribe's efforts for the 2010 Census, child placement and protection issues, tax agreement issues and negotiations with the State, additional gaming discussion, issues involving the Tribal Employment Rights Office (TERO), law enforcement activities in the area of meth prevention, environmental issues particularly involving certain concentrated animal feeding operations (CAFOs), the Tribal Historic Preservation Office, education programs and issues, and the Tribal realty Office. On September 24, the committee toured several tribal facilities in the area. These included the Dakota Connection Casino and Convenience Store in Sisseton, the Woodrow Wilson Keeble Memorial Health Center, the tribally-owned and operated Dakota Western Manufacturing plant, the Elderly Center, Sisseton-Wahpeton College, and Tiospa Zina Tribal School.

Listing of Legislation Adopted

None

Summary of Meeting Dates and Places and Listing of Committee Members

The committee met in the State Capitol in Pierre on March 10 and June 17, 2010 and at Agency Village, Sisseton, and the Dakota Sioux Casino on September 23-24, 2010.

Members of the committee included Sen. Jim Bradford (Chair), Rep. Kent Juhnke (Vice Chair); Senators Dan Ahlers, Ryan Maher, Russell Olson, and Craig Tieszen; and Representatives Ed Iron Cloud III, Kevin Killer, Carol Pitts, and Dean Wink.

Committee staff members were Tom Magedanz, Principal Research Analyst; and Lisa Shafer, Legislative Secretary.