

State of South Dakota

NINETY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2016

400X0282

CONFERENCE COMMITTEE ENGROSSED NO. **SB 45** - 03/09/2016

Introduced by: The Committee on State Affairs at the request of the Governor's Office of
Economic Development

1 FOR AN ACT ENTITLED, An Act to revise certain provisions of the building South Dakota
2 fund programs.

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

4 Section 1. That § 1-16G-48 be amended to read:

5 1-16G-48. The commissioner of the Bureau of Finance and Management shall authorize and
6 disburse money from the building South Dakota fund for the following purposes:

7 (1) Twenty-five percent of the fund shall be transferred to the local infrastructure
8 improvement grant fund created in § 1-16G-50;

9 (2) Fifteen percent of the fund shall be transferred to the economic development
10 partnership fund created in § 1-16G-51;

11 (3) Thirty percent of the fund shall be transferred to the workforce education fund
12 created in § 13-13-88;

13 (4) Twenty-five percent of the fund shall be transferred to the South Dakota housing
14 opportunity fund created in § 11-13-2. Disbursement of funds to the South Dakota



1 Housing Development Authority shall be made after South Dakota housing
2 opportunity funds have been obligated by the oversight commission created pursuant
3 to § 11-13-8;

4 (5) Five percent of the fund shall be transferred to the revolving economic development
5 and initiative fund created in § 1-16G-3 for the purpose of making grants to projects
6 that have a total project cost of less than twenty million dollars.

7 The commissioner of the Bureau of Finance and Management, at the request of the
8 commissioner of the Governor's Office of Economic Development and the approval of the
9 special committee created in § 4-8A-2 or the Senate and House standing committees on
10 appropriations meeting in joint session, shall transfer building South Dakota fund money among
11 the local infrastructure improvement grant fund, the economic development partnership fund,
12 and the revolving economic development and initiative fund, provided the money is unobligated
13 at the time of the request and subsequent transfer.

14 Section 2. That § 11-13-5 be amended to read:

15 11-13-5. The South Dakota housing opportunity fund may be used to provide a grant, loan,
16 loan guarantee, loan subsidy and other financial assistance to an eligible applicant. Money from
17 the fund may be used to build, buy, and or rehabilitate affordable housing for rent or home
18 ownership, including single family and multifamily housing. The eligible fund activities include
19 affordable housing projects that consist of new construction or the purchase of rental or home
20 ownership housing, substantial or moderate rehabilitation of rental or home ownership housing,
21 housing preservation, including home repair grants and grants to make homes more accessible
22 to individuals with disabilities, homelessness prevention activities, as well as a community land
23 trust. No more than ten percent of the funds awarded may be used for the administrative costs
24 of the South Dakota Housing Development Authority or any entity that ~~has received~~ receives

1 funding from the fund.

2 Section 3. That § 11-13-8 be amended to read:

3 11-13-8. Awards from the fund shall be made through a competitive process during ~~the~~
4 ~~initial~~ an application cycle each year. Each application shall be evaluated and scored based on
5 criteria created by the administering agency and the oversight commission. Each applicant that
6 is awarded money from the fund ~~shall be~~ is encouraged to leverage the money for any project
7 or program with other public and private dollars. ~~If there are funds available after the initial~~
8 ~~application cycle, additional application rounds may be established.~~ Any program income or
9 loan payments received shall be deposited into the ~~fund~~ account held by the South Dakota
10 Housing Authority.

11 Section 4. That chapter 1-16G be amended by adding a NEW SECTION to read:

12 Before the transfer of money to any fund under § 1-16G-48, the commissioner of the Bureau
13 of Finance and Management shall authorize and disburse money from the building South Dakota
14 fund for the following purposes:

- 15 (1) An amount to pay for any contracts entered into by the Governor's Office of
16 Economic Development with an implementing partner to provide technical assistance
17 to an applicant or monitoring service for any building South Dakota fund program;
18 and
- 19 (2) An amount to pay the administrative expenses incurred by the Governor's Office of
20 Economic Development for any building South Dakota fund program. The
21 administrative expenses are limited to the salary and benefits of any personnel
22 directly responsible for the administration of the programs.

23 Section 5. That § 1-16G-52 be amended to read:

24 1-16G-52. The Board of Economic Development may award funds from the economic

1 development partnership fund for the following purposes:

2 (1) To support new staff, or elevate existing part-time staff and equipment and training
3 needs for the purpose of developing or expanding local, community, and economic
4 development programs. ~~The board may also;~~

5 (2) To support any recipient's plans to work with other entities for the purpose of
6 developing or expanding local, community, and economic development programs;

7 or

8 (3) To award funds from the economic development partnership fund to commence or
9 replenish a local revolving loan fund for the purpose of developing or expanding
10 housing, community, and economic development programs. Areas of emphasis for
11 funding include creating high quality employment opportunities, repopulation,
12 stronger economies, housing development, business growth, support of
13 entrepreneurship, and job creation, expansion, and retention. When awarding funds
14 for a revolving loan fund, the board may give priority to an application that serves
15 multiple communities. The board may give additional priority to an application that
16 leverages state funds at greater than a one-to-one matching basis.