

State of South Dakota

NINETY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2017

174Y0411

SENATE BILL NO. 71

Introduced by: Senators Otten (Ernie), Cammack, Cronin, Ewing, Monroe, Peters, Soholt, Solano, and White and Representatives Stevens, Anderson, Bartling, Heinemann, Lake, Otten (Herman), Rhoden, and Tieszen

1 FOR AN ACT ENTITLED, An Act to revise certain provisions of the reinvestment payment
2 program.

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

4 Section 1. That § 1-16G-56 be amended to read:

5 1-16G-56. Terms used in §§ 1-16G-56 to 1-16G-68, inclusive, mean:

6 (1) "Board," the Board of Economic Development;

7 (2) "Commissioner," the commissioner of the Governor's Office of Economic
8 Development;

9 (3) "Completed the project" or "completion of the project," the first date when the project
10 is operational;

11 (4) "Construction date," the first date earth is excavated or a contractor has initiated work
12 for the purpose of constructing a new or expanded facility or the first date new
13 equipment is located on the project site or existing equipment is removed from the
14 project site for the purpose of equipment upgrades, whichever occurs first;



- 1 (5) "Data center," any facility established for the purpose of processing, storage,
2 retrieval, or communication of data;
- 3 (6) "Department," the Department of Revenue;
- 4 (7) "Equipment upgrades," the installation of new equipment or the replacement or
5 improvement of existing equipment, which is subject to the sales or use tax imposed
6 by chapters 10-45 or 10-46 or contractor's excise tax imposed by chapters 10-46A or
7 10-46B;
- 8 (8) "GOED," the Governor's Office of Economic Development;
- 9 (9) "New or expanded facility," a new building or structure, or the expansion, renovation,
10 or retrofitting of an existing building or structure, which is subject to the contractor's
11 excise tax imposed by chapters 10-46A or 10-46B;
- 12 (10) "Person," any individual, firm, copartnership, joint venture, association, cooperative,
13 nonprofit development corporation, limited liability company, limited liability
14 partnership, corporation, estate, trust, business trust, receiver, or any group or
15 combination acting as a unit;
- 16 (11) "Project," a new or expanded facility with a project cost which exceed twenty million
17 dollars, or equipment upgrades with a project cost which exceed two million dollars.
18 A project includes laboratory and testing facilities, manufacturing facilities, advanced
19 telecommunications capability, data centers, power generation facilities, power
20 transmission facilities, agricultural processing facilities, wind energy facilities, and
21 facilities defined by GOED as targeted industries. A project does not include any
22 building or structure:
- 23 (a) Used predominantly for the sale of products at retail, other than the sale of
24 electricity at retail, or the provision of advanced telecommunications

- 1 capability, to individual consumers;
- 2 (b) Used predominantly for residential housing or transient lodging;
- 3 (c) Used predominantly to provide health care services;
- 4 (d) Used predominantly for the transportation or transmission of natural gas, oil,
- 5 or crude oil by means of a pipeline; or
- 6 (e) That is not subject to ad valorem real property taxation or equivalent taxes
- 7 measured by gross receipts;
- 8 (12) "Project cost," the amount paid by the project owner in money, credits, property, or
- 9 other consideration associated with a project including, without limitation, land,
- 10 labor, materials, furniture, equipment, fees, or fixtures;
- 11 (13) "Wind energy facility," any new facility or facility expansion that:
- 12 (a) Consists of a commonly managed integrated system of towers, wind turbine
- 13 generators with blades, power collection systems, and electric interconnection
- 14 systems, that convert wind movement into electricity, and is subject to the tax
- 15 imposed by §§ 10-35-18 and 10-35-19; and
- 16 (b) The construction of which is subject to contractors' excise tax pursuant to
- 17 chapter 10-46A or 10-46B;
- 18 (14) "Advanced telecommunications capability," without regard to any transmission
- 19 media or technology, is high-speed, switched, broadband telecommunications
- 20 capability that enables users to originate and receive high-quality voice, data,
- 21 graphics, and video telecommunications using any technology that provides a
- 22 minimum actual download speed of at least twenty-five megabits per second and
- 23 actual upload speed of at least three megabits per second.