

# State of South Dakota

EIGHTY-FIRST SESSION  
LEGISLATIVE ASSEMBLY, 2006

400M0323

## HOUSE BILL NO. 1019

Introduced by: The Committee on State Affairs at the request of the Bureau of Finance and Management

1 FOR AN ACT ENTITLED, An Act to revise and redirect certain revenues relating to the state  
2 capital construction fund, the ethanol fuel fund, the state highway fund, the water and  
3 environment fund, and the state general fund.

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

5 Section 1. That § 5-27-1 be amended to read as follows:

6 5-27-1. There is hereby established, within the state treasury, the state capital construction  
7 fund into which shall be deposited ~~the remaining net proceeds to the state from the sale of~~  
8 ~~on-line lottery tickets after the first one million four hundred thousand dollars is deposited into~~  
9 ~~the general fund, and such other~~ such revenues as the Legislature may designate. The fund shall  
10 be a participating fund and shall be credited for all interest earned on fund balances.  
11 Expenditures from the fund shall be made only upon approval by the Legislature.

12 Section 2. That § 5-27-4 be repealed.

13 ~~5-27-4. During fiscal year 1999, the Bureau of Finance and Management shall transfer each~~  
14 ~~month twenty-four and two-tenths percent of the monthly state capital construction fund~~  
15 ~~revenues from the state capital construction fund to the ethanol fuel fund. Beginning in fiscal~~



1 ~~year 2000 to December 31, 2002, inclusive, the Bureau of Finance and Management shall~~  
2 ~~transfer each month thirty-three and one-quarter percent of the monthly state capital construction~~  
3 ~~fund revenues from the state capital construction fund to the ethanol fuel fund. Beginning on~~  
4 ~~January 1, 2003, the Bureau of Finance and Management shall transfer each month twenty-five~~  
5 ~~and six-tenths percent of the monthly state capital construction fund revenues from the state~~  
6 ~~capital construction fund to the ethanol fuel fund.~~

7 Section 3. That § 5-27-5 be repealed.

8 ~~5-27-5. During fiscal year 1999, the Bureau of Finance and Management shall transfer each~~  
9 ~~month three and six-tenths percent of the monthly state capital construction fund revenues from~~  
10 ~~the state capital construction fund to the public and special transportation fund. Beginning in~~  
11 ~~fiscal year 2000 to December 31, 2002, inclusive, the Bureau of Finance and Management shall~~  
12 ~~transfer each month three and one-half percent of the monthly state capital construction fund~~  
13 ~~revenues from the state capital construction fund to the public and special transportation fund.~~  
14 ~~Beginning on January 1, 2003, the Bureau of Finance and Management shall transfer each~~  
15 ~~month two and six-tenths percent of the monthly state capital construction fund revenues from~~  
16 ~~the state capital construction fund to the state highway fund.~~

17 Section 4. That § 5-27-6 be amended to read as follows:

18 ~~5-27-6. During fiscal year 1999, the Bureau of Finance and Management shall transfer each~~  
19 ~~month seventy-two and two-tenths percent of the monthly state capital construction fund~~  
20 ~~revenues from the state capital construction fund to the water and environment fund. Beginning~~  
21 ~~in fiscal year 2000 to December 31, 2002, inclusive, the Bureau of Finance and Management~~  
22 ~~shall transfer each month sixty-three and one-quarter percent of the monthly state capital~~  
23 ~~construction fund revenues from the state capital construction fund to the water and~~  
24 ~~environment fund. Beginning on January 1, 2003, the Bureau of Finance and Management shall~~

1 ~~transfer each month seventy-one and eight-tenths percent of the monthly state capital~~  
2 ~~construction fund revenues from the state capital construction fund to the water and~~  
3 ~~environment fund.~~ The Bureau of Finance and Management shall transfer each month one  
4 hundred percent of the monthly state capital construction fund revenues from the state capital  
5 construction fund to the water and environment fund.

6 Section 5. That § 10-47B-164 be amended to read as follows:

7 10-47B-164. Any money in the ethanol fuel fund is continuously appropriated for purposes  
8 of providing ethanol production payments to qualified ethanol producers. The department may  
9 receive and approve ethanol production incentive payment claims and authorize the issuance  
10 of payment warrants to licensed ethanol producer claimants based on claims presented by the  
11 licensees. At the end of each fiscal year, any unobligated cash in excess of one hundred  
12 thousand dollars in the ethanol fuel fund shall be transferred to the ~~state highway~~ water and  
13 environment fund.

14 Section 6. That § 42-7A-24 be amended to read as follows:

15 42-7A-24. Net proceeds from the sale of instant and on-line lottery tickets shall be  
16 transferred to the state general fund on an annual basis after July first each year. The  
17 commission shall maximize the net proceeds to the state from the sale of instant and on-line  
18 lottery tickets. In no event may yearly lottery expenses for the sale of lottery tickets, excluding  
19 expenditures from retained earnings, exceed the amount of ~~combined~~ net proceeds transferred  
20 to the state general fund, ~~the state corrections facility construction fund, and the state capital~~  
21 ~~construction fund.~~ Net machine income from video lottery games shall be directly deposited in  
22 the state property tax reduction fund upon receipt. Net proceeds are funds in the lottery  
23 operating fund which are not needed for the payment of prizes, lottery expenses, and total  
24 retained earnings up to one and one-half million dollars cash deemed necessary by the executive

1 director and commission for replacement, maintenance, and upgrade of business systems,  
2 product development, legal and operating contingencies of the lottery.

3 ~~—Beginning in fiscal year 1997 and each year thereafter, the commission shall transfer the first~~  
4 ~~one million four hundred thousand dollars from the net proceeds from the sale of on-line video~~  
5 ~~lottery tickets collected pursuant to § 42-7A-24 to the general fund. The commission shall then~~  
6 ~~transfer an amount equal to the remaining net proceeds from the sale of on-line lottery tickets~~  
7 ~~collected pursuant to § 42-7A-24 to the state capital construction fund created in § 5-27-1.~~