

State of South Dakota

EIGHTY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2006

588M0308

HOUSE COMMERCE COMMITTEE ENGROSSED NO.

HB 1177 - 01/31/2006

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Representatives Peters, Dennert, Dykstra, Gillespie, Glenski, Hackl, Hargens, Haverly, Hennies, Klautt, Kroger, Rounds, Tidemann, Van Etten, and Willadsen and Senators Earley, Apa, Bartling, Greenfield, Hanson (Gary), Kelly, Koskan, Napoli, Schoenbeck, Smidt, and Sutton (Duane)

1 FOR AN ACT ENTITLED, An Act to limit the amount in the Employer's Investment in South
2 Dakota's Future Fund.

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

4 Section 1. That § 61-5-24.1 be amended to read as follows:

5 61-5-24.1. Employers required by this title to pay contributions, except employers that
6 pursuant to chapter 61-5A reimburse the unemployment compensation trust fund for benefits
7 paid in lieu of contributions, shall also pay an employer's investment in South Dakota's future
8 fee, hereinafter "investment fee," on wages as defined by this title. The fee rate for employers
9 not eligible for experience rating, as defined in § 61-5-20.2, shall be seventy hundredths percent
10 through calendar year 2006 and fifty-five hundredths percent on and after January 1, 2007. If
11 an employer is eligible for experience rating, his reserve ratio shall be determined pursuant to
12 § 61-5-18.14 and his investment fee rate shall be the rate appearing in column "A" on the same
13 line on which his reserve ratio appears in column "B" of the following rate ~~schedule~~ schedules.



1 From January 1, 1993, to December 31, 2006, inclusive:

2	Column "A"	Column "B"
3	Investment Fee Rate	Reserve Ratio
4	0.70%	Less than 0.80%
5	0.60%	0.80% and Less than 1.00%
6	0.50%	1.00% and Less than 1.20%
7	0.40%	1.20% and Less than 1.30%
8	0.30%	1.30% and Less than 1.40%
9	0.20%	1.40% and Less than 1.50%
10	0.10%	1.50% and Less than 1.60%
11	0.00%	1.60% and Over

12 From January 1, 2007, to December 31, 2007, inclusive:

13	<u>Column "A"</u>	<u>Column "B"</u>
14	<u>Investment Fee Rate</u>	<u>Reserve Ratio</u>
15	<u>0.60%</u>	<u>Less than 1.00%</u>
16	<u>0.50%</u>	<u>1.00% and Less than 1.20%</u>
17	<u>0.40%</u>	<u>1.20% and Less than 1.30%</u>
18	<u>0.30%</u>	<u>1.30% and Less than 1.40%</u>
19	<u>0.20%</u>	<u>1.40% and Less than 1.50%</u>
20	<u>0.10%</u>	<u>1.50% and Less than 1.60%</u>
21	<u>0.00%</u>	<u>1.60% and Over</u>

22 From January 1, 2008, to December 31, 2008, inclusive:

23	<u>Column "A"</u>	<u>Column "B"</u>
24	<u>Investment Fee Rate</u>	<u>Reserve Ratio</u>
25	<u>0.58%</u>	<u>Less than 1.00%</u>
26	<u>0.50%</u>	<u>1.00% and Less than 1.20%</u>
27	<u>0.40%</u>	<u>1.20% and Less than 1.30%</u>

1	<u>0.30%</u>	<u>1.30% and Less than 1.40%</u>
2	<u>0.20%</u>	<u>1.40% and Less than 1.50%</u>
3	<u>0.10%</u>	<u>1.50% and Less than 1.60%</u>
4	<u>0.00%</u>	<u>1.60% and Over</u>

5 From January 1, 2009, to December 31, 2009, inclusive:

6	<u>Column "A"</u>	<u>Column "B"</u>
7	<u>Investment Fee Rate</u>	<u>Reserve Ratio</u>
8	<u>0.56%</u>	<u>Less than 1.00%</u>
9	<u>0.50%</u>	<u>1.00% and Less than 1.20%</u>
10	<u>0.40%</u>	<u>1.20% and Less than 1.30%</u>
11	<u>0.30%</u>	<u>1.30% and Less than 1.40%</u>
12	<u>0.20%</u>	<u>1.40% and Less than 1.50%</u>
13	<u>0.10%</u>	<u>1.50% and Less than 1.60%</u>
14	<u>0.00%</u>	<u>1.60% and Over</u>

15 Beginning January 1, 2010:

16	<u>Column "A"</u>	<u>Column "B"</u>
17	<u>Investment Fee Rate</u>	<u>Reserve Ratio</u>
18	<u>0.55%</u>	<u>Less than 1.00%</u>
19	<u>0.50%</u>	<u>1.00% and Less than 1.20%</u>
20	<u>0.40%</u>	<u>1.20% and Less than 1.30%</u>
21	<u>0.30%</u>	<u>1.30% and Less than 1.40%</u>
22	<u>0.20%</u>	<u>1.40% and Less than 1.50%</u>
23	<u>0.10%</u>	<u>1.50% and Less than 1.60%</u>
24	<u>0.00%</u>	<u>1.60% and Over</u>

25 The terms and conditions of this title which apply to the payment and collection of
 26 contributions also apply to the payment and collection of the investment fee. Proceeds from the
 27 investment fee shall be deposited in the clearing account of the unemployment compensation

1 fund for clearance only and may not become part of the fund. After clearance, the money
2 derived from such payments, less refunds made pursuant to the provisions of this title, shall be
3 deposited in the employer's investment in South Dakota's future special revenue fund as
4 provided for in § 61-5-24.2. Investment fee payments may not be credited to the employer's
5 experience rating account and may not be deducted in whole or in part by any employer from
6 the wages of individuals in its employ.

7 The investment fee rate may not be increased over the applicable 1987 investment fee rate
8 for any employer with a positive balance in his experience rating account on the computation
9 date, as established in rules promulgated by the secretary of labor pursuant to chapter 1-26, for
10 the current year and the year preceding the current year.

11 The investment rates provided in this section apply to and are retroactive to taxable wages
12 paid on and after January 1, 1993.