



# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

400P0231

HOUSE ENGROSSED NO. **HB 1038** - 1/28/2008

Introduced by: The Committee on Transportation at the request of the Department of  
Transportation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding accident reports and  
2 insurance premium increases involving the operators of emergency snow removal  
3 equipment.

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

5 Section 1. That § 32-35-101 be amended to read as follows:

6 32-35-101. The Department of Public Safety shall furnish to any person upon request a  
7 certified abstract of the operating record for the last three years of any person subject to the  
8 provisions of this chapter. The abstract shall include enumeration of any motor vehicle accidents  
9 in which the person has been involved and reference to any convictions of the person for a  
10 violation of the motor vehicle laws as reported to the department. No accident may be entered  
11 on the driving record of a law enforcement officer, firefighter, or emergency medical technician  
12 if ~~such~~ the accident resulted from the law enforcement officer's, firefighter's, or emergency  
13 medical technician's response to a call of duty as a law enforcement officer, firefighter, or  
14 emergency medical technician and the law enforcement officer, firefighter, or emergency  
15 medical technician was lawfully engaged in the performance of official duties and was driving



1 an official vehicle. ~~Such~~ The accident shall be recorded separately. No accident may be entered  
2 on the driving record of an operator of emergency snow removal equipment if the accident  
3 resulted from the operator's response to an emergency call of duty as an operator of emergency  
4 snow removal equipment and the operator was lawfully engaged in the performance of official  
5 duties in support of an emergency call of duty by a law enforcement officer, firefighter, or  
6 emergency medical technician and was driving official snow removal equipment. The accident  
7 shall be recorded separately. The department shall collect four dollars for each abstract. The fee  
8 shall be credited to the state motor vehicle fund. Any governmental entity or subdivision is  
9 exempt from this fee.

10 Section 2. That § 58-24-75 be amended to read as follows:

11 58-24-75. No insurer may increase the premium or rate of an insured at policy issuance,  
12 during the term of a policy, or at renewal because of an accident if the insured was responding  
13 to a call of duty as a law enforcement officer, firefighter, ~~or~~ emergency medical technician, or  
14 operator of emergency snow removal equipment, when operation is in response to an emergency  
15 call of duty from and in support of a law enforcement officer, firefighter, or emergency medical  
16 technician's call to duty, for any accident:

17 (1) That occurred while the law enforcement officer, firefighter, ~~or~~ emergency medical  
18 technician, or operator of emergency snow removal equipment was lawfully engaged  
19 in the performance of official duties; and

20 (2) That occurred while the law enforcement officer, firefighter, ~~or~~ emergency medical  
21 technician, or operator of emergency snow removal equipment was driving an official  
22 vehicle; and

23 (3) For which the law enforcement officer, firefighter, ~~or~~ emergency medical technician,  
24 or operator of emergency snow removal equipment furnishes notice to the insurer that

1           the accident occurred under circumstances identified in subdivisions (1) and (2) of  
2           this section.

3   This section is not applicable to commercial lines policies. Any premium or rate increase in  
4   violation of this section, which is made erroneously and does not constitute a continuing  
5   business practice of the insurer, may not be the basis of any disciplinary action by the division  
6   against the insurer if the insurer refunds any excess premium promptly upon discovery of the  
7   error or upon request by the insured.

8           Section 3. That § 32-12-61 be amended to read as follows:

9           32-12-61. The Department of Public Safety shall file all abstracts of court records of  
10   convictions received by it under the laws of this state and all accident reports received. The  
11   Department of Public Safety shall maintain records or make suitable notations on the individual  
12   record of each licensee and any person domiciled in this state who is required to have a driver  
13   license showing the convictions, disqualifications, and other licensing actions for violations of  
14   any state or local law relating to motor vehicle traffic control committed while the licensee or  
15   person was operating any type of vehicle and the traffic accidents in which the licensee or  
16   person has been involved. The information shall be readily ascertainable and available for the  
17   consideration of the department upon any application for renewal of a license. However, with  
18   the exception of convictions resulting from operation of a commercial motor vehicle, no  
19   conviction for speeding which is ten miles per hour or less over the posted speed limit and no  
20   speeding conviction received from another state may be entered on the licensee's driving record,  
21   but may be recorded separately. The separate record may not be made available to the public.  
22   No accident may be entered on the driving record of a law enforcement officer, firefighter, or  
23   emergency medical technician if ~~such~~ the accident resulted from the law enforcement officer's,  
24   firefighter's, or emergency medical technician's response to a call of duty as a law enforcement

1 officer, firefighter, or emergency medical technician and the law enforcement officer, firefighter,  
2 or emergency medical technician was lawfully engaged in the performance of official duties and  
3 was driving an official vehicle. ~~Such~~ The accident shall be recorded separately. No accident may  
4 be entered on the driving record of an operator of emergency snow removal equipment if the  
5 accident resulted from the operator's response to an emergency call of duty as an operator of  
6 emergency snow removal equipment and the operator was lawfully engaged in the performance  
7 of official duties in support of an emergency call of duty by a law enforcement officer,  
8 firefighter, or emergency medical technician and was driving official snow removal equipment.  
9 The accident shall be recorded separately.

# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

400P0301

HOUSE AGRICULTURE AND NATURAL RESOURCES

ENGROSSED NO. **HB 1042** - 1/17/2008

Introduced by: The Committee on Agriculture and Natural Resources at the request of the  
Department of Game, Fish and Parks

1 FOR AN ACT ENTITLED, An Act to revise certain provisions pertaining to the definition of  
2 residency and the issuance of resident hunting, fishing, and trapping licenses.

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

4 Section 1. That § 41-1-1 be amended by adding thereto a NEW SUBDIVISION to read as  
5 follows:

6 "Domicile," a person's established, fixed, and permanent home to which the person,  
7 whenever absent, has the present intention of returning;

8 Section 2. That subdivision (22) of § 41-1-1 be amended to read as follows:

9 (22) "Resident," a person actually living having a domicile within and intending to make  
10 the person's home in this state. ~~However, any person who has lawfully acquired a~~  
11 ~~resident hunting, fishing, or trapping license and who leaves the state after acquiring~~  
12 ~~the license to take up residency elsewhere may continue to exercise all the privileges~~  
13 ~~granted by the license until the license expires if the person's respective privileges are~~  
14 ~~not revoked or suspended pursuant to §§ 41-6-75 to 41-6-75.2, inclusive. No resident~~



1 ~~may lose rights under this title by reason of the resident's absence on business of the~~  
2 ~~United States or of this state, or armed services of the United States or the spouse of~~  
3 ~~an active duty military person, or any student regularly attending a school of higher~~  
4 ~~learning as a full-time student for at least ninety consecutive days immediately~~  
5 ~~preceding the date of application for, purchasing, or attempting to purchase any~~  
6 ~~license required under the provisions of this title or rules of the commission, who~~  
7 ~~makes no claim of residency in any other state or foreign country for any purpose,~~  
8 ~~and other than for a person described in section 3 of this Act, claims no resident~~  
9 ~~hunting, fishing, or trapping privileges in any other state or foreign country, and prior~~  
10 ~~to any application for any license, transfers to this state the person's driver's license~~  
11 ~~and motor vehicle registrations;~~

12 Section 3. That chapter 41-1 be amended by adding thereto a NEW SECTION to read as  
13 follows:

14 For the purposes of this title, the following are deemed to be residents of this state:

- 15 (1) Any person who previously had a domicile in this state who is absent due to business  
16 of the United States or of this state, or is serving in the armed forces of the United  
17 States or the spouse of an active duty military person;
- 18 (2) Any person who previously had a domicile in this state who is absent due to the  
19 person's regular attendance at a post-high school institution as a full-time student;
- 20 (3) Any person in the active military of the United States or that person's spouse who is  
21 continuously stationed in this state;
- 22 (4) Any person who is a patient in any war veterans' hospital within this state;
- 23 (5) Any person who is an employee of the veterans' administration or any veterans'  
24 hospital in this state;

- 1       (6) Any person residing on restricted military reservations in this state;
- 2       (7) Any person attending regularly a post-high school institution in this state as a  
3       full-time student for thirty days or more immediately preceding the application;
- 4       (8) Any foreign exchange student over sixteen years of age attending a public or private  
5       high school who has resided in the state for thirty days or more preceding the  
6       application;
- 7       (9) Any foreign exchange student who is between the ages of twelve years and sixteen  
8       years who has completed the Department of Game, Fish and Parks' course of  
9       instruction in the safe handling of firearms and has been issued a certificate of  
10      competency upon completion of instruction and who has resided in the state for thirty  
11      days or more preceding application for a license;
- 12      (10) Any person who is a minor dependent of a resident of this state; and
- 13      (11) For the purpose of acquiring resident small game and fishing licenses, any person  
14      who does not reside in South Dakota but who is a member of the South Dakota  
15      National Guard or of any other unit of a reserve component of the armed forces of the  
16      United States that is located in South Dakota.

17      Section 4. That chapter 41-1 be amended by adding thereto a NEW SECTION to read as  
18 follows:

19      Except for a person who continues to qualify for resident privileges as provided in section  
20 3 of this Act, a person is deemed to have terminated the person's South Dakota resident status  
21 if the person applies for, purchases, or accepts a resident hunting, fishing, or trapping license  
22 issued by another state or foreign country; registers to vote in another state or foreign country;  
23 accepts a driver's license issued by another state or foreign country; or moves to any other state  
24 or foreign country and makes it the person's domicile or makes any claim of residency for any

1 purpose in the other state or foreign country. However, a person who has lawfully acquired a  
2 resident hunting, fishing, or trapping license and who leaves the state after acquiring the license  
3 to take up residency elsewhere may continue to exercise all the privileges granted by the license  
4 until the license expires if the person's respective privileges are not revoked or suspended  
5 pursuant to §§ 41-6-75 to 41-6-75.2, inclusive.

6 Section 5. That § 41-6-52 be amended to read as follows:

7 41-6-52. No person other than a resident as defined in this title may make application for,  
8 purchase, or attempt to purchase a resident license under §§ 41-6-12 to 41-6-45.1, inclusive;  
9 ~~unless the applicant has been a resident of this state for at least ninety days before making of the~~  
10 ~~application and claims no resident privileges in any other state. Before making application for,~~  
11 ~~purchasing, or attempting to purchase a resident hunting or fishing license in the state, the~~  
12 ~~applicant shall transfer to this state the applicant's driver's license and motor vehicle registration~~  
13 ~~for motor vehicles used in this state. However, any person in the active military of the United~~  
14 ~~States or that person's spouse who has been continuously stationed in this state; any person who~~  
15 ~~is a patient in any war veterans' hospital within this state; any person who is an employee of the~~  
16 ~~veterans' administration or any veterans' hospital; any person residing on restricted military~~  
17 ~~reservations in this state; any person attending regularly a post-high school institution as a full-~~  
18 ~~time student for thirty days or more immediately preceding the application; any foreign~~  
19 ~~exchange student over sixteen years of age attending a public or private high school who has~~  
20 ~~resided in the state for thirty days or more preceding the application; any foreign exchange~~  
21 ~~student who is between the ages of twelve years and sixteen years who has completed the~~  
22 ~~Department of Game, Fish and Parks' course of instruction in the safe handling of firearms and~~  
23 ~~has been issued a certificate of competency upon completion of instruction and who has resided~~  
24 ~~in the state for thirty days or more preceding his application; or any person who is a minor~~

1 ~~dependent of a resident of this state, is a resident of the state for the purpose of this title. Any~~  
2 ~~person who does not reside in South Dakota but who is a member of the South Dakota National~~  
3 ~~Guard or of any other unit of a reserve component of the armed forces of the United States that~~  
4 ~~is located in South Dakota is a resident of the state for the purpose of acquiring resident small~~  
5 ~~game and fishing licenses. A violation of this section is a Class 2 misdemeanor.~~

6 Section 6. That § 41-6-16.2 be amended to read as follows:

7 41-6-16.2. Any resident who is on active duty in the armed forces of the United States and  
8 who is stationed at a location outside the state may fish and hunt small game without payment  
9 of a fee or the applicable hunting and fishing license authorizing the activity. However, if the  
10 resident is hunting migratory birds, the resident shall obtain a migratory bird certification permit  
11 and federal migratory bird stamp. While engaged in the permitted activity, the resident shall  
12 ~~have in possession~~ possess and display appropriate military orders indicating the resident is on  
13 active duty stationed outside of South Dakota and a valid ~~South Dakota driver's license or South~~  
14 ~~Dakota~~ military identification card. This section does not apply to any person who is serving on  
15 active duty for training as a member of the armed forces reserve or national guard.

# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

400P0302

SENATE AGRICULTURE AND NATURAL RESOURCES

ENGROSSED NO. **HB 1043** - 1/31/2008

Introduced by: The Committee on Agriculture and Natural Resources at the request of the  
Department of Game, Fish and Parks

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding exemptions to the  
2 boat numbering requirement.

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

4 Section 1. That § 32-3A-11 be amended to read as follows:

5 32-3A-11. A boat is not required to be numbered under this chapter if ~~it~~ the boat is:

6 (1) A boat covered by a number still in effect which was awarded pursuant to federal law  
7 or a federally approved numbering system of another state, ~~a~~ and the boat that has not  
8 been neither:

9 (a) Been in this state for more than sixty consecutive days; ~~or a boat that has not~~  
10 ~~been berthed for a contract~~ during any calendar year; nor

11 (b) Been subject to a contract for a berth for a period of more than sixty  
12 consecutive days during any calendar year in marina facilities ~~controlled by~~  
13 located within this state;

14 (2) A boat from a country other than the United States temporarily using the waters of



1           this state;

2           (3)   A boat whose owner is the United States, a state, or subdivision thereof;

3           (4)   A racing boat competing in a regatta or boat race approved by the Game, Fish and  
4           Parks Commission or operating during a period not to exceed forty-eight hours  
5           immediately preceding the race and the remainder of the race day; or

6           (5)   A boat owned or operated by a person who is participating in a fishing tournament  
7           permitted by the Department of Game, Fish and Parks, provided the boat has been  
8           issued a temporary boat license valid in South Dakota for a period of ten consecutive  
9           days at a fee set by rules promulgated by the Game, Fish and Parks Commission  
10          pursuant to chapter 1-26.

# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

814P0538

SENATE HEALTH AND HUMAN SERVICES

ENGROSSED NO. **SB 114** - 1/30/2008

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

Introduced by: Senators Nesselhuf, Bartling, Dempster, Garnos, Gray, Hansen (Tom), McCracken, and Sutton and Representatives Willadsen, Cutler, Dykstra, Elliott, Faehn, Halverson, Miles, Rounds, and Weems

1 FOR AN ACT ENTITLED, An Act to allow for risk pool eligibility and rate flexibility for  
2 certain health insurance conversion plans.

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

4 Section 1. That § 58-17-74 be amended to read as follows:

5 58-17-74. Premium rates for individual health benefit plans subject to §§ 58-17-66 to 58-17-  
6 87, inclusive, are subject to the following provisions:

7 (1) Any new policy issued after the effective date of §§ 58-17-66 to 58-17-87, inclusive,  
8 is subject to the provisions of §§ 58-17-66 to 58-17-87, inclusive;

9 (2) The index rate for a rating period for any class of individual business may not exceed  
10 the index rate for any other class of individual business by more than twenty percent;

11 (3) For a class of business, the premium rates charged during a rating period to  
12 individuals with similar case characteristics for the same or similar coverage, or the  
13 rates that could be charged to such individuals under the rating system for that class



1 of business, may not vary from the index rate by more than thirty percent of the index  
2 rate;

3 (4) An adjustment applied to a single block of business may not exceed the adjustment  
4 applied to all blocks of business by more than fifteen percent due to the claim  
5 experience or health status of that block of business;

6 (5) Any adjustment in rates for claim experience and duration of coverage may not be  
7 charged to specific individual policyholders. Any such adjustment shall be applied  
8 uniformly to the rates charged for any person and dependents of the person within  
9 each class of business;

10 (6) Premium rates for individual health benefit plans shall comply with the requirements  
11 of §§ 58-17-66 to 58-17-87, inclusive;

12 (7) Each carrier shall apply rating factors consistently with respect to all persons in a  
13 class of business. Rating factors shall produce premiums for identical persons which  
14 differ only by the amounts attributable to plan design;

15 (8) No carrier may use characteristics other than age, gender, lifestyle, family  
16 composition, and geographic area without prior approval of the director. The  
17 maximum rating differential based solely on age may not exceed a factor of 5:1; and

18 (9) All rate adjustments based on geographic area shall reflect actual differences in the  
19 health care costs of the respective areas.

20 The rating provisions of subdivisions (1), (2), (3), (4), and (6) of this section do not apply  
21 to individual health benefit plans issued by a carrier to qualifying individuals on a guaranteed  
22 issue basis. However, the rate for any individual covered on a guaranteed issue basis may not  
23 exceed two and one half times the base rate of the class of business with the lowest index rate.

24 Section 2. That § 58-17-85 be amended to read as follows:

1 58-17-85. If a person has an aggregate of at least twelve months of creditable coverage, is  
2 a resident of this state, and applies within sixty-three days of the date of losing prior creditable  
3 coverage, the person is eligible for coverage as provided for in §§ 58-17-68, 58-17-70, 58-17-  
4 85, and 58-17-113 to 58-17-142, inclusive, if none of the following apply:

- 5 (1) The applicant is eligible for continuation of coverage under an employer plan;
- 6 (2) ~~The applicant's most recent creditable coverage is a conversion plan from an~~  
7 ~~employer group plan;~~
- 8 ~~(3)~~ The person is eligible for an employer group plan, Part A or Part B of medicare, or  
9 medicaid;
- 10 ~~(4)~~(3) The person has other health insurance coverage;
- 11 ~~(5)~~(4) The person's most recent coverage was terminated because of the person's  
12 nonpayment of premium or fraud;
- 13 ~~(6)~~(5) The person loses coverage under a short term or limited duration plan; or
- 14 ~~(7)~~(6) The person's last coverage was creditable coverage as defined in subdivision 58-17-  
15 69(13).

16 Any person who has exhausted continuation rights and who is eligible for conversion or  
17 other individual or association coverage has the option of obtaining coverage pursuant to this  
18 section or the conversion plan or other coverage. If a person chooses conversion coverage, other  
19 than pursuant to section 1 of this Act, in lieu of coverage pursuant to this section and the person  
20 later exhausts the lifetime maximum of the conversion coverage, the person may obtain  
21 coverage pursuant to this section as long as the person continues to satisfy the criteria of this  
22 section. A person who is otherwise eligible for the issuance of coverage pursuant to this section  
23 may not be required to show proof that coverage was denied by another carrier.

24 For purposes of this section, reasonable evidence that the prospective enrollee is a resident

1 of this state shall be required. Factors that may be considered include a driver's license, voter  
2 registration, and where the prospective enrollee resides.

3 Any person who was eligible for the risk pool and opted for coverage pursuant to section  
4 1 of this Act may, at any time while covered under that policy or within sixty-three days of  
5 terminating that coverage, elect to enroll in the risk pool.

# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

795P0654

## SENATE APPROPRIATIONS ENGROSSED NO. **SB 176** - 1/31/2008

Introduced by: Senators Hunhoff, Abdallah, Albers, Bartling, Dempster, Duenwald, Gant, Garnos, Gray, Hansen (Tom), Hanson (Gary), Hauge, Heidepriem, Hoerth, Hundstad, Jerstad, Katus, Kloucek, Knudson, Koetzle, Lintz, Maher, McCracken, McNenny, Napoli, Nesselhuf, Olson (Ed), Peterson (Jim), Schmidt (Dennis), Smidt (Orville), Sutton, Turbak Berry, and Two Bulls and Representatives Burg, Ahlers, Bradford, Brunner, Buckingham, Carson, Cutler, Davis, Dennert, DeVries, Dreyer, Dykstra, Elliott, Engels, Faehn, Feinstein, Gassman, Gillespie, Gilson, Glenski, Gosch, Hackl, Halverson, Hargens, Haverly, Heineman, Hills, Howie, Hunt, Jerke, Juhnke, Kirkeby, Koistinen, Krebs, Lust, McLaughlin, Miles, Moore, Nelson, Noem, Novstrup (Al), Novstrup (David), Nygaard, Olson (Betty), Olson (Russell), Olson (Ryan), Pederson (Gordon), Peters, Pitts, Putnam, Rausch, Rave, Rhoden, Rounds, Sigdestad, Steele, Street, Thompson, Tidemann, Turbiville, Van Etten, Van Norman, Vanneman, Vehle, Weems, Wick, and Willadsen

1 FOR AN ACT ENTITLED, An Act to authorize the Legislative Research Council to remodel,  
2 renovate, and furnish certain facilities on the fourth floor of the State Capitol Building for  
3 use by the Legislature, to make an appropriation therefor, and to declare an emergency.

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

5 Section 1. The Legislative Research Council may contract for the design, construction,  
6 completion, furnishing, equipping, and maintaining of, including heating, air conditioning,  
7 plumbing, water, sewer, electric facilities, architectural and engineering services, asbestos  
8 abatement, computer and presentation systems, video studio facilities, programming, and such



1 other services as may be required to remodel for legislative use available space on the fourth  
2 floor of the Capitol building in a manner consistent with a twenty-first century society and the  
3 current state of technology at an estimated cost of one hundred thousand dollars to complete.

4 Section 2. There is hereby appropriated from the public buildings fund the sum of one  
5 hundred thousand dollars (\$100,000), or so much thereof as may be necessary, to the Legislative  
6 Research Council to complete renovation, construction, and completion of the facilities  
7 described in section 1 of this Act.

8 Section 3. The design, renovation, and construction of the facilities approved by this Act  
9 shall be under the general supervision of the Bureau of Administration as provided in § 5-14-2.  
10 The commissioner of the Bureau of Administration and the executive director of the Legislative  
11 Research Council shall approve vouchers and the state auditor shall draw warrants to pay  
12 expenditures authorized by this Act.

13 Section 4. Whereas, this Act is necessary for the support of the state government and its  
14 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in  
15 full force and effect from and after its passage and approval.

# State of South Dakota

EIGHTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2008

924P0521

## SENATE STATE AFFAIRS ENGROSSED NO. **SB** **190** - 1/28/2008

Introduced by: Senators Hanson (Gary), Abdallah, Bartling, Heidepriem, Kloucek, Maher, Nesselhuf, Peterson (Jim), and Smidt (Orville) and Representatives Moore, Dennert, Gassman, Gillespie, Halverson, Nelson, Noem, and Sigdestad

1 FOR AN ACT ENTITLED, An Act to impose a fee on certain pipelines carrying crude oil and  
2 to create a crude oil pipeline compensation fund that may be used in the event of a crude oil  
3 spill.

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

5 Section 1. Terms used in this Act mean:

- 6 (1) "Barrel," a barrel is 42 U.S. gallons measured at 60 degrees Fahrenheit;
- 7 (2) "Crude oil," any unrefined liquid petroleum. Crude oil may range in density from  
8 very light to very heavy and in color from yellow to black, may have a paraffin,  
9 asphalt, or mixed base, and may include chemicals and elements which are  
10 considered toxic and pollutants if released into the environment;
- 11 (3) "Crude oil pipeline company," any person that is transporting crude oil;
- 12 (4) "Department," the South Dakota Department of Revenue and Regulation;
- 13 (5) "Secretary," the secretary of the Department of Revenue and Regulation.



1 Section 2. There is hereby imposed a fee upon any crude oil transported by pipeline of two  
2 cents per barrel of crude oil. Any crude oil company that transports averages less than ten  
3 thousand barrels of crude oil per day by pipeline is exempt from the fee and provisions imposed  
4 by this Act.

5 Section 3. There is hereby created in the state treasury the crude oil pipeline compensation  
6 fund. The secretary shall deposit the fee collected pursuant to this Act in the crude oil pipeline  
7 compensation fund. The fund may provide reimbursement of reasonable and necessary costs for  
8 any corrective action in excess of ten thousand dollars for a crude oil release that may occur.  
9 Reimbursement may include costs of an approved corrective action and third-party claims for  
10 crude oil releases.

11 The fund shall be a participating fund and shall be credited for all interest earned on fund  
12 balances. Expenditures from the fund may be made only upon approval by the Legislature. If  
13 the balance in the fund exceeds thirty million dollars, the collection of the fee shall cease. If the  
14 balance in the fund becomes less than five million dollars, collection of the fee shall resume.

15 Section 4. Any person who holds a license issued pursuant to this Act or who is a person  
16 whose receipts are subject to the fees imposed by this Act shall, except as otherwise provided  
17 in this section, file a return, and pay any fee due, to the Department of Revenue and Regulation  
18 on or before the twentieth day of the month following each monthly period. The return shall be  
19 filed on forms prescribed and furnished by the department. The secretary may grant an extension  
20 of not more than five days for filing a return and remittance. Unless an extension is granted,  
21 penalty or interest under § 10-59-6 shall be paid if a return or remittance is not made on time.

22 Section 5. Any crude oil pipeline company subject to the fee shall keep records of all crude  
23 oil transported through the pipeline. The records are, at all times during business hours of the  
24 day, subject to inspection by the department to determine the amount of fees due. The records

1 shall be preserved for a period of three years unless the secretary, in writing, authorized their  
2 destruction or disposal at an earlier date.

3 Section 6. The secretary may promulgate rules, pursuant to chapter 1-26, concerning:

- 4 (1) License applications;
- 5 (2) The filing of returns and payment of the fee;
- 6 (3) Determining the application of the fee;
- 7 (4) Record-keeping requirements; and
- 8 (5) Determining auditing methods.

9 Section 7. Any person who:

- 10 (1) Makes any false or fraudulent return in attempting to defeat or evade the fee is guilty  
11 of a Class 6 felony;
- 12 (2) Fails to pay the fee due under this Act within sixty days from the date the fee  
13 becomes due is guilty of a Class 1 misdemeanor;
- 14 (3) Fails to keep the records required by this Act or refuses to exhibit these records to the  
15 department for the purpose of examination is guilty of a Class 1 misdemeanor;
- 16 (4) Fails to file a return required by this Act within sixty days from the date the return  
17 is due is guilty of a Class 1 misdemeanor;
- 18 (5) Engages in business as a crude oil pipeline without obtaining a license is guilty of a  
19 Class 6 felony.

20 For purposes of this section, the term, crude oil pipeline company, includes corporate  
21 officers having control, supervision of, or charged with the responsibility for making returns or  
22 payments pursuant to this Act.

23 Section 8. If a corporation subject to the fee imposed by this Act fails for any reason to file  
24 the required returns or to pay the fee due, any of its officers having control, or supervision of,

1 or charged with the responsibility for making such returns and payments are personally liable  
2 for such failure. The dissolution of a corporation does not discharge an officer's liability for a  
3 prior failure of the corporation to make a return or remit the fee due. The sum due for such a  
4 liability may be assessed and collected as provided by law.

5 If any responsible corporate officer elects not to be personally liable for the failure to file  
6 the required returns or to pay the fee due, the corporation shall provide the department with a  
7 surety bond or certificate of deposit as security for payment of any fee that may become due.  
8 The bond or certificate of deposit provided for in this section shall be in an amount equal to the  
9 estimated annual fee imposed by the Act.

10 Section 9. Any real and personal property owned by a crude oil pipeline company is subject  
11 to the real and personal property taxes levied by the state, counties, municipalities, townships,  
12 or other political subdivisions of the state.