

The Rural Lobbyist 2012

A Weekly Legislative Update

The 87th Legislative Session

February 3, 2012

Measure to Simplify Process of Setting up Watershed Districts to be Heard Tuesday

The Senate Agriculture and Natural Resources Committee will hear testimony next Tuesday, Feb. 7, on Senate Bill 169 which will simplify the process of setting up watershed districts in South Dakota. The measure is aimed at setting up districts with taxing authority to deal with water drainage problems, especially along the James River Valley. Communities and farmers have been dealing with several years of wet conditions which has hurt production and roads. Farmers Union will support this measure as a way to allow local landowners the chance to organize and decide how to best alleviate the water problems.

If you're interested in attending the committee meeting, or testifying about how the water has affected you, please contact Government Relations Director John Kerstiens at jkerstiens@sdfu.org or 605-892-5257. Also, please contact the members of the Senate Agriculture and Natural Resources Committee and tell them your story and urge them to support Senate Bill 169.

Senate Passes Bill to Make Fair Tax System for Electric Cooperatives

"It's easy as 1-2-3." That's the slogan worn by supporters of Senate Bill 123 on buttons as they visited the Capitol this week to push a measure aimed at making a more fair gross receipts tax system for rural electrical cooperatives. The bill needed a two-thirds majority in the Senate to pass because it was setting up a new tax. They got one more vote than they needed as the measure passed the Senate by a vote of 25-9. It will now move to the House State Affairs Committee. A date hasn't been set.

Farmers Union testified in favor of the bill which seeks to transition the gross receipts tax on electric co-ops to a "per kilowatt hour of wholesale electric energy delivered" taxation system. That means each kilowatt hour of electricity the co-op delivered would be taxed. The current gross receipts tax system levies a tax of 2% on the gross receipts of the electric cooperatives. According to the co-ops, their total gross receipts taxes have gone up an average of nearly 10% overall each year over the past decade because they increase the amount of energy they deliver and make more money. Therefore, the amount they pay in gross receipts taxes increases each year. They argue the current system is unfair because a private utility company's gross receipts tax rate of increase is capped at just 3% each year no matter how much money they make. It can't increase more than 3%. Co-ops don't have any cap.

Ag Land Tax Initiative Passed in House and Senate

House Bill 1003 has been approved by both the House and Senate and moves to the governor's desk for his signature. It's a provision that would revise the limitation on the increases and decreased that can be made to the total taxable value of cropland and non-cropland in South Dakota.

Other Bills We're Watching

HB 1011—An act to revise the definition of domestic use of water.

HB 1036—An act to establish and revise certain provisions and penalties related to the regulation of grain warehouses, grain buyers and warehouse receipts.

HB 1037—An act to revise the purpose of the agriculture mediation program.

HB 1057—An act to revise certain provisions concerning the manner in which county wheel taxes are imposed.

HB 1070—An act to revise certain provisions relating to the certificate of health requirement for the importation of animals.

HB 1116—An act to exempt bedding used for agricultural purposes from sales and use taxes.

HB 1176—An act to authorize certain party hunting methods and practices pertaining to the hunting of big game.

HB 1210—An act to exempt certain livestock entering the livestock ownership inspection area from ownership inspection requirements.

HB 1265—An act to expand the scope of the Governor's house program.

SB 45—An act to appropriate additional funds and to extend the availability of appropriations to replace storage facilities at the Cottonwood Agricultural Experiment Station.

SB 97—An act to require the payment of surface access fee for oil and gas exploration and production.

SB 114—An act to designate the American bison as the state animal.

SB 126—An act to create an oil pipeline indemnity bond program.

SB 129—An act to provide for the severance of certain water rights.

SB 143—An act to increase the number of allowable nonresident waterfowl hunting days.

SB 190—An act to permit the filing of certain agricultural lien documents with the Office of the Secretary of State by electronic means.