

The Rural Lobbyist 2012

A Weekly Legislative Update

The 87th Legislative Session

January 27, 2012

Electric Cooperatives Push for Fair Tax System for Rural Utilities

A bill supported by South Dakota's rural electric power cooperatives seeks to make a more fair gross receipts tax system in the state to level the playing field between electric co-ops and other utilities. Senate Bill 123 was introduced by a large bipartisan group of legislators and will be heard by the Senate Taxation Committee Monday at 10 a.m.

The bill would 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.

The bill also adds several definitions for terms involved in rural electric cooperatives. Farmers Union will testify in favor of this bill Monday.

House Committee Denies Ethanol Mandate for Fourth Straight Year

For the fourth straight year, Rep. Mitch Fargen, D-Flandreau, and Sen. Jason Frerichs, D-Wilmot, introduced a bill to compel state government to use more ethanol in state fleet vehicles. But once again, lawmakers, on a party line vote, deferred House Bill 1089 to the 41st legislative day, killing the bill. You can see the roll call here to see what lawmakers supported the idea and those that voted against it.

Farmers Union animal rights resolution to be introduced next week

South Dakota Farmers Union continues to work on a resolution opposing certain actions by animal rights groups who seek to undermine agricultural livestock production. A resolution will be introduced in the Legislature next week that will oppose any attempt for any ballot initiative or acts proposed by groups like the Humane Society of the United States (HSUS) or People for the Ethical Treatment of Animals (PETA).

Please contact your local legislators and urge them to support this resolution once it's introduced.

Ag Land Tax Initiative Gets House Approval

House Bill 1003, 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 has passed the full House of Representatives by a vote of 56-8.

The bill will now go to the Senate, where it will be heard next week by the Senate Ag Committee.

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 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.