

# CAPITOL-ISM

Notes from the **2018 Legislative Session** by David Owen,  
President of the SD Chamber of Commerce & Industry



March 14, 2018

## Legislature's "Main Run" Ends

*There is Joy Upon the Land – Especially Among the Legislators*

### An Overview of the Budget and Revenues

It is an undeniable fact that the pooled resources – known as taxes – given to the state provide essential services that are needed if the marketplace is to operate well, or at all. Government provides the rules of law (which we thankfully can take for granted); infrastructure (paved roads are waaaay better than rutted wagon trails); an educated workforce and, in many communities, contributions that enhance quality of life.

***So how much does our state collect from taxpayers and what services and improvements are provided by the budget?***

**Revenue.** Overall, the state's general fund gathers \$1.6 billion dollars, mainly from sales/use taxes (63%); lottery (7%); contractor's excise tax (7%); insurance premium tax and bank franchise fee (6%); alcohol/tobacco taxes (4%) and "other" (7%). Three other small revenue generators provide all but about 6% of the funds.

**Expenditures.** The summary of expenditures shows education (k-12; technical institutes and Regents) are the single largest investment of close to 50% of the total general fund. A more detailed breakdown shows local schools and technical institutes getting 35% and the Regents getting 13%. The next largest expenditure is Health, Human and Social Services (Medicaid mostly) second with 35% followed by Corrections with a mere 6%. The remaining 10% is split between the Unified Judicial System (courts); the remainder of state government; legislature and agriculture programs.

The general fund budget is only part of the total state expenditures. The general fund budget is \$1.6 billion but on top of that comes money from the Federal government (\$1.7 billion) and spending authority for special funds such as the highway fund which is money from the gas tax and other special fees and funds (\$1.4 billion).

**Total spending for the overall budget = \$4.7 billion dollars.**

Detailed Look – click on the link here to see a more detailed list of revenues and expenditures including a pie-chart of each that puts things into perspective. [Budget link](#)

### Another Update on Ballot Measures

The Secretary of State's office continues to evaluate signatures for initiatives that were turned in last November. Secretary Krebs office has cleared three issues that will be placed on the ballot for November and has ruled that two of them did not submit enough valid signatures.

In addition to these initiatives, the Legislature has placed three constitutional amendments on the ballot. One of which will be on the ballot with a special election held in conjunction with the June primary.

## Update on Constitutional Amendments Placed by the 2017 Legislature

**For the June 5<sup>th</sup> Primary Election:** To vote on this amendment of Marsy's Law in June, the state needs to conduct a special election so that all voters can cast ballots. The party primaries are not open to all voters.

### HJR 1004

#### **On the ballot as Constitutional Amendment Y**

Proposing and submitting to the electors at the next general election a Constitutional amendment to repeal certain provisions relating to the rights of crime victims. [Amend Marsy's law](#). [History – Passed the House](#)  
**65-Yea to 0-nay; Passed the Senate 27-Yea to 8-Nay.**

## **For the November 6<sup>th</sup> General Election – Placed by the Legislature**

### SJR 1

#### **On the ballot as Constitutional Amendment X**

Proposing and submitting to the electors at the next general election an amendment to the Constitution of the State of South Dakota, [Requires constitutional amendments pass with 55% of the votes](#).  
[History – Passed the House on a vote of 55-Yea to 9-Nay](#).

### HJR 1006

#### **On the ballot as Constitutional Amendment Z**

Proposing and submitting to the electors at the next general election an amendment to the Constitution of the State of South Dakota, [Limits Amendments limited to one subject](#) [History](#).  
**History - Passed the House 56-Yea to 11-Nay. Passed the Senate 28-Yea to 6-Nay.**

## **Overall summary of the Ballot Measures, as of March 14<sup>th</sup>**

### **Amendments placed by Legislature: 3 out of 9**

- Amendment X - SJR 1 – super Majority for Constitutional Amendments
- Amendment Z - HJR 1006 – future amendments limited to single topic
- Amendment Y - HJR 1004 – Marsy's law amendment (June election)

### **Ballot Measures via signatures: 3 out of 8 so far**

- Constitutional Amendment W – the redo of IM 22
- Initiated Measure 24 – prohibiting contributions from out of state
- Initiated Measure 25 – cigarette tax increase to lower tech institute tuition

### **Ballot Measures with petitions submitted currently being validated: 3 out of 8**

- Voting by mail
- Prescription price cap
- Legalize medical marijuana (will not qualify)

### **Ballot Measures that failed to meet signature requirements: 2 so far (see marijuana above)**

- Open Primaries
- Legislative redistricting by commission

### **Summary**

- Three placed by legislature
- Three qualified via signatures
- Three might qualify via signatures
  - One of which likely to not qualify
- Two failed to qualify

### **Total for ballot in November: 6 as of this report with an additional 3 as potentials**

### **Total potential = 9**

*Thank you for your support of the South Dakota Chamber of Commerce and Industry and for your interest in this year's Capitol-ism newsletter. To learn more about this year's legislative action, please join David Owen for one of his post-legislative tour presentations being held in twelve communities throughout the state. [\*\*Click here\*\*](#) to view the schedule.*