

Legislature winds down old program

By Bob Mercer
State Capitol Bureau

PIERRE – For the past decade, state government carried tens of millions of dollars on the books year after year waiting for companies to come looking for tax refunds they were owed on big projects in South Dakota.

This spring, that practice will end.

The governor signed into law last week an emergency act passed by the Legislature setting a May 1 deadline for all claims to be filed.

Any money remaining afterward – if there is any – will go to general use.

It is the last act in what began as a very secretive program. For years the state Revenue Department of the Rounds administration treated as confidential the refund amounts and the names of

the companies receiving them.

Not even legislators could find out the details.

That changed in 2009. A reporter for five daily newspapers successfully challenged Revenue for access to the permits that companies needed to obtain as a first step to qualifying for the refunds.

As that appeal moved forward, the Legislature declared the amounts of the refunds and the identities of the projects and the companies to be public records.

When all of that information became available, the Legislature decided in 2010 to end the program altogether. Lawmakers set an ending date of Dec. 31, 2012.

In 2011, new Gov. Dennis Daugaard convinced enough Republicans in the Legislature to approve a

similar new program. But Democrats successfully petitioned for a referendum, and South Dakota voters overwhelmingly rejected it in the November 2012 elections.

The refund program wound up costing the state treasury more than \$99 million through Dec. 31, 2013.

Approximately \$30 million of potential liabilities are still on the state’s books for the program, however.

The Legislature set a definite window for refunds to be processed for projects that qualified after the 2010 decision to end the program.

But there wasn’t a cut-off for older projects. The emergency law taking effect this spring sets the deadline for them at May 1.

Approximately \$30 million remains on the books as potential liabilities. The governor has built \$19.4

million of the leftover into his budget plans. Another \$10 million or so is still in play.

The new law, HB 1070, cruised through the House of Representatives 66-2 and the Senate 31-1.

“We worked with the Department of Revenue to send out letters to any projects that would be affected by this,” said the legislation’s prime sponsor, Rep. Mark Mickelson, R-Sioux Falls.

The Building South Dakota program that was approved by the Legislature in 2013 includes a reinvestment provision that replaces the refund program.

Under the old program companies automatically qualified for refunds if they met requirements set in state law and filed to get their money back. It didn’t matter whether the refund was important to the

decision to build the project in South Dakota.

The new reinvestment approach allows the state Board of Economic Development to decide whether some amount of tax refund is important to the project locating in South Dakota.

“The issue with the (old) program is there was no discretion in it,” Mickelson said.

Legislators on the appropriations committee last year found that \$35 million of liability for state government had accrued in potential refunds.

“Any money that is left over will be transferred to the state general fund,” Mickelson said. “I don’t think there’s much money expected to be left over beyond the \$19.4 million in the governor’s budget.”

Jim Terwilliger, the economist in the state

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From Page 01

serve in the U.S. Senate.

“I really do believe that the world doesn’t revolve around Sioux Falls or Rapid City or Watertown or even the good ol’ town of Vermillion and USD, of which I’m a graduate,” Weiland said. “There is a lot going on out there in towns like Wakonda and Viborg. ... I’m taking the page out of the book of one of my political mentors, George McGovern, who built the Democratic Party in South Dakota by going town to town back in the ‘50s.”

He noted that he is also following the campaign playbook of one of his former bosses – Tom Daschle – who went door-to-door during his first campaign for the U.S. Congress and won.

Weiland ran unsuccessfully for Congress in 1996, and was the first Democrat to enter the U.S. Senate race last year. His Republican opponents include former Gov. Mike Rounds, Annette Bosworth, state Rep. Stace Nelson, state Sen. Larry

Rhoden and Jason Ravnsborg.

Weiland ran for South Dakota’s lone seat in the U.S. House in 1996, when then-Rep. Tim Johnson ran and won a Senate race. Republican John Thune, who now is in the Senate, defeated Weiland in that House race by a wide margin.

Weiland then was appointed regional director of the Federal Emergency Management Agency in Denver.

He ran unsuccessfully for the Democratic nomination for U.S. House in 2002.

He joined the International Code Council, a nonprofit organization that develops construction codes for commercial and residential buildings, in 2003, serving as chief operating officer and then chief executive officer before leaving in September.

He and his wife now own and operate a family restaurant in Sioux Falls.

Weiland said he based his decision to throw his hat in the political ring once again in reaction to the dysfunction currently going on in Washington.

“We would get better public policy if the big money and their

big lobbyists weren’t at the table writing the tax code, writing health care reform, writing our energy policy,” he said. “But that’s what happens every day in Washington, DC.”

Weiland noted that he doesn’t fully agree with the way the Affordable Care Act is structured, in part because much of it is influenced by health insurance, pharmaceutical, and health care industries.

He finds favor with the way the act is helping to expand health care availability to individuals across the country. “And, no longer can you be denied health insurance because of a pre-existing condition. That’s a big deal.”

He would like to see the Affordable Care Act amended to include a Medicare buy-in system.

“Everybody in this room who is under 65 years of age – you should be able to buy in to Medicare,” Weiland said, adding that he’s authored a Medicare Choice Act. “It is what is missing in Obamacare. I believe it would bring down the cost of insurance. With the Medicare option, it’s (health insurance) is going to be more affordable because it’s

going to create some public/private competition that does not exist in our health care system today.

“The problem with Obamacare is it still has the insurance companies in the driver’s seat,” Weiland said.

He added that the nation needs to work on developing an energy policy with an added focus on conservation and alternative energy sources.

“We continue to dump carbon into our atmosphere, our planet is changing and warming, and if you’re concerned about climate change, you need to be concerned about energy policy,” Weiland said. “The reason we don’t have a good energy policy is the big oil companies are calling the shots. We give them subsidies from our tax dollars, and they convince our Congress that we shouldn’t be investing in all of these things that would make us more energy-independent.”

The federal government, he said, must promote further investment and development of energy from wind, solar, and ethanol.

Currently, Weiland said, the nation is making billions of

dollars of the student loan program.

“I don’t believe that we should be profiting off the backs of college students and their families,” he said. He noted that he has children who have attended college. “I know how hard it is on families, and I’ve been blessed to come up with that money.”

Government loans and grants in the form of reinvestment to education have been lagging in recent years, Weiland said, shifting the burden of education costs onto students.

“If we could bring some more money into the system, I think that would be a good thing,” he said. “We’re making money as a government. We should re-invest that for our kids ... We need to encourage people to go to school, we need to incentivize people to further their education, and not discourage them by making it so unaffordable or saddling them with a heavy debt.

“I believe that investing in education is investing in our economy,” Weiland said. “If we really want to grow the middle class, we need to be making these kinds of investments.”

CLAY COUNTY SHERIFF'S PRESS BRIEFING

02/09/14 17:12 – A report was received of a livestock trailer losing cattle while driving on Highway 50. A deputy responded and assisted the driver with loading or corralling the loose cattle. Injuries to the cattle were minor.

02/11/14 08:14 – Extra traffic enforcement was continued at the area near Timber Road at Highway 19 due to complaints of stop sign violations there each morning.

02/12/14 10:15 – Social Services requested a welfare check of a child at a rural residence. A deputy responded and found no cause for concern.

02/12/14 12:43 – An inmate was transported from the Dixon County, Nebraska jail to the Clay County Jail after being arrested there for a Clay County warrant.

02/12/14 16:52 – A deputy responded to a report of a vehicle on Highway 50, stalled in the traffic lane. The deputy provided traffic control while the driver got gas for the car.

02/12/14 18:44 – A deputy responded to a report of a car/deer collision on Highway 19

north of Vermillion.

02/12/14 22:26 – A caller reported a fire in a field near Highway 50 west of Vermillion. A deputy checked and found that the fire was under control.

02/13/14 01:54 – A vehicle was stopped on Highway 50 and the driver was notified about a malfunctioning headlight.

02/13/14 03:44 – A rural Beresford resident reported an ongoing problem with a neighbor’s dogs harassing her horses. The dog owner was notified of his responsibility to contain the dogs and prevent this. He secured the dogs and is taking steps to find a new home for them.

02/13/14 08:23 – A vehicle was stopped and the driver was cited for a stop sign violation at the intersection of Timber Road and Highway 19.

02/13/14 11:08 – A deputy responded to a report of a car on Highway 50 with its flashers on. The driver was found to not have a valid drivers license or insurance. The driver was cited for no drivers license and a valid driver was found to drive the vehicle to Yankton after a flat tire was changed.

02/13/14 13:05 – After a woman was arrested in Bon Homme County on a Clay County warrant, a deputy coordinated a transfer of custody of the inmate in Yankton. The woman was transported to the Clay County Jail.

02/13/14 13:12 – A caller reported a vehicle has been parked on the side of the road north of Wakonda for a week. The owner was contacted and he was able to get the car moved.

02/13/14 15:45 – Deputies responded to a bank alarm in Wakonda. The alarm company quickly canceled the alarm when it was found to have been accidentally tripped by an employee.

02/13/14 16:58 – A Meckling resident called with concerns about a stray cat in town that appeared to be sick. A deputy discussed options with the caller. The caller later reported the cat had wandered away for the time being.

02/14/14 00:45 – A deputy made contact with a man who was reported to be acting suspiciously in a Vermillion business. The man was wanted in Minnesota but the originating county requested that the man not be arrested on the warrant.

02/14/14 10:22 – A deputy responded along with Wakonda fire units to a tractor fire near Wakonda.

02/14/14 15:23 – A deputy responded to a burglar alarm at a Wakonda business. Upon arrival, a door was found open but there were no signs of entry or criminal activity. The owner was notified and the business was secured.

02/14/14 15:35 – An inmate was transported to a doctor appointment and then returned to the jail.

02/14/14 15:50 – A caller reported juveniles trespassing at a rural property. When confronted they said they were hunting. The boys left

before the call was received and they were not located when a deputy arrived.

02/14/14 15:53 – A deputy received a report of a contractor receiving payment for work and not paying for materials used. The matter is under investigation.

02/14/14 17:22 – A caller in Wakonda reported a young boy was outside in only a pair of jeans. A deputy investigated and found the boy was now inside and warm and had left the house after fighting with a sibling.

02/15/14 18:04 – An Irene resident reported a domestic assault in a neighboring apartment. Deputies responded and found a man who had been pounding a nail in the wall and listening to the radio.

There was no assault involved.

02/15/14 19:18 – A deputy served an arrest warrant in Irene after locating a wanted person there. The woman was released on her own recognizance.

02/15/14 19:52 – A man and a woman who were both wanted for outstanding warrants were located at a residence near Wakonda. The woman posted her bond immediately. The man was arrested and transported to jail to post his bond there.

02/15/14 22:24 – Deputies located a woman in Vermillion who was wanted for a warrant for theft. The woman was arrested and booked into jail where she posted her bond and was released.

Total Records: 26

NOTICE

The annual meeting of Norway Township will be on Tuesday, March 4, 2014 at 1:00 p.m. at the Clay County Highway Department on Timber Rd. Bids for blading, gravel, snow removal and mowing will be opened at that time. Send bids to: Tom Knutson, Supervisor, Norway Township, 45753 Timber Rd., Vermillion, SD 57069. No later than Friday, February 28, 2014. Township reserves right to reject any and all bids.

Jay Bottolfson, Clerk

SIGN ON BONUS



BETHESDA HOME, WEBSTER, SD is now hiring a LTC Director of Nursing. The DON Plans, coordinates, and manages, and evaluates the nursing department and care to residents. Must be graduate of an accredited school of nursing and obtains a SD license. **Please email resume to Mike Ewalt michael.ewalt@sanfordhealth.org**

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Vermillion Annual Township Meeting

The Citizens of the Township of Vermillion in the county of Clay, South Dakota and who are qualified to vote at Township elections, are hereby notified that the Annual Township Meeting for said Township will be held at Clay County 4-H Center, 515 High Street, in said Township, on TUESDAY, the 4th day of March next, at 7:00 o'clock P.M., for the following purposes:

To elect one Supervisor for the term of three years; one Township Clerk, one Treasurer, each for the term of one year; one Constable for the term of two years.

To let bids for snow removal, road maintenance and gravel for township roads for the upcoming year. Bids may be sent to:

Michelle Hauck Township Clerk
2719 Falcon Court
Vermillion, SD 57069
and to do any other business proper to be done at said meeting when convened.

Given under my hand this 15th day of February A.D., 2014.

Michelle L Hauck, Township Clerk

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