



# SDBA Legislative Update

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## State Legislative Conference Recap

This past Wednesday, Feb. 7, 125 members of the SDBA braved the elements of winter, making the trek to Pierre to visit with their elected lawmakers. On the heels of scheduled meetings of the SDBA Board of Directors and Legislative Committee, attendees of the SDBA's 2007 State Legislative Conference, Reception and Dinner were briefed not only on banking-related legislation, but also on many bills dealing with funding and structure of K-12 schools, initiated measures and referred laws, campaign finance laws, and health insurance cost and availability.

Our afternoon program included a wide-ranging, one-hour, question-and-answer session with Gov. Mike Rounds and a presentation on the Farm Credit System's Horizons Project by ABA's Director of Agricultural and Rural Banking John Blanchfield. During the late afternoon hours, a host of bankers headed to the State Capitol to visit one-on-one with their elected senators and representatives.

The event concluded that evening with a top-notch reception and dinner attended by a mix of more than 300 bankers, elected officials and other dignitaries. SDBA Chairman Curt Hage served as host for our conference, capping the day by recognizing the following individuals for their accomplishments:

- 2007 Business Plan Competition Winner: Kristin Payne, Leola
- South Dakota Bankers Foundation Capital Campaign Chair Joyce Hazeltine: Joyce's efforts garnered nearly \$900,000 to benefit high school scholarships for our state's future leaders.
- Laura Swanson, Banking Committee staffer for Sen. Tim Johnson: Laura braved the uncertainties of air travel and South Dakota's winter wonders to visit with our state's banking leaders.

I want to offer my heartfelt thanks to all of the bankers who sacrificed time away from hectic work schedules to show our elected leaders that we care about the work they do and to offer our thanks for their service.

## Farm Credit System's Horizons Project

I write this update as I am on route to Washington, D.C., to attend a meeting of the ABA's Agriculture and Rural Banking Committee. First Dakota National Bank's Jeff Wolfgram and I currently enjoy the privilege of representing South Dakota's ag banking interests as members of that committee. In conjunction with our meeting, Jeff and I will be calling on Sen. John Thune and Congresswoman Stephanie Herseth to express the banking industry's concerns with the expansionist agenda of the Farm Credit System embodied in it Horizons Project.

As members of the Senate and House Agricultural Committees, both Sen. Thune and Congresswoman Herseth will play key roles in framing the debate over the provisions of the 2007 Farm Bill. We believe the credit title of the 2007 Farm Bill will be the most likely legislative vehicle to carry the FCS's expansionist agenda. Look for additional details on this issue and avenues for banker grassroots involvement to be disclosed in future issues of the *South Dakota Banker* magazine.

## Update on Key Legislation

### Constitutional Revision Commission Bills

**SB1, 2 and 3** – A package of bills proposing changes to our initiative and referendum process, all passed out of the Senate State Affairs Committee in amended forms. Like HB1156, to some extent these bills came about due to some irregularities related to a couple of constitutional amendments voted on in 2006.

**SB82** – Proposes increases in fees charged by sheriffs for various civil processes. As amended, commission fees charged against the proceeds from sheriffs' foreclosure sales will be capped at 3 percent on sales up to \$25,000. Under current law, the cap is \$450. The SDBA Board decided to not oppose SB82 in its current form. SB82 passed the full Senate on Wednesday by a vote of 30-3.

### Trust Task Force Bills

**SB97, 98 and 99** – Each passed the full Senate this week with no dissenting votes.

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**SB202** – Increases the amount of an individual's retirement assets exempt from the legal process from its current level of \$250,000 up to a new level of \$1 million. The bill passed the Senate on Wednesday by a vote of 20-11. Federal bankruptcy law affords protection up to \$1 million of assets held in an IRA and an unlimited amount inside a qualified employer benefit plan like a 401k.

**HB1275** – Establishes a three-year statute of limitations for real estate appraisers. In the interest of assessing the prospect for enacting a similar change in the statute of limitations for bank directors, the SDBA will closely monitor the status of HB1275. The bill passed the full House on Thursday by a vote of 68-1.

As always, please call me if you have any needs or concerns. The SDBA office number is (605) 224-1653 and my cell number is (605) 280-7985.