

2017 ANNUAL LEGISLATIVE REPORT ON CONSTRUCTION RELATED LEGISLATION



INTRODUCTION

2017 Annual AGC Legislative Report

The 92nd Legislative Session ended on Monday, March 27, 2017. The legislature was shaped by the November 2016 elections into an even larger Republican super majority by the addition of four more Republican legislators, resulting in a loss of four Democratic seats. Nearly a third of the House members were new legislators, which probably slowed the pace. Budget projections showing revenues nearly \$60 million low for the current and next fiscal years also contributed to a record low number of bills being (388) introduced. Session started on a controversial note with the debate over the repeal of Initiated Measure 22.

AGC again had a full-time lobbyist during the 2017 Legislative Session. Each of the bills introduced were read, and those bills determined to be of interest to the construction industry were circulated to the Government Affairs Committee for their input and determination of AGC's stance for each bill.

Each Tuesday afternoon, the AGC lobbyist and the Governmental Affairs Committee spent time on a weekly legislative phone call where members fully discussed bills.

AGC also hosted a "Day at the Capitol" event where interested members could learn more about the legislative process. Members spent time in legislative committees, spoke to their legislators on the House and Senate floors, and were introduced in the House and Senate galleries. During the afternoon, they received updates from several state agencies. The day wrapped up with the annual AGC Legislative Dinner, which was well-attended by members, legislators and constitutional officers.

AGC's bill list this session covered topics from countering increased competition from the colonies; crafting a clearer definition of the construction manager delivery method; unemployment insurance tax breaks and revisions to fund administration of the UI program; implementing a technical institute governing bill; discussions of a TIF revamp; attempts to mandate paid sick leave and paid time off; requesting employers to provide "reasonable accommodations" for pregnant and breastfeeding employees, and a large list of campaign finance and ethics reforms in the wake of the repeal of IM 22. Following is a discussion of the bills AGC tracked this session.

General Business

SB 36, revised the time to file certain tax returns and remit certain taxes. Bill would streamline reporting and payment dates for sales, use, contractors' excise tax, etc. AGC monitored SB 36. Bill has been signed by Governor.

SB 96, the bill required each employer to provide employees, who were continuously employed by the employer for ninety days or more, with a minimum of one hour of paid sick leave for every thirty hours an employee works. AGC opposed the bill. SB 96 was sent to 41st Legislative Day in committee.

SB 144, sought to allow members of the armed services to carry fire arms at all times in all places. Original language in this bill would have nullified any policies business owners have regarding guns in their workplaces or job sites. The bill was amended to exclude this language. AGC monitored the bill after the amendment. SB 144 was sent to 41st Legislative Day in committee.

SB 150, established certain provisions regarding paid maternity leave. SB 150 wanted to mandate that employers provide up to four weeks of paid leave for the birth or adoption of a child. AGC opposed the bill. It was sent to the 41st Legislative Day in committee.

HB 1093, revised certain definitions relating to employment and worker's compensation. Bill clarified that the definition of "employer" in the state employment statutes includes religious organizations selling products and services to non-members and that they must follow minimum wage, unemployment, and the worker's compensation laws. The bill was introduced to require religious colonies to carry the same overhead that other employers do. AGC supported the bill. The bill was killed in committee on an 8-5 vote.

HB 1097, revised certain unemployment insurance contribution rates, to provide for an unemployment insurance administrative fee, and to provide for the distribution of the fee. This bill offered contribution tax breaks, a formula to keep the trust fund from growing too large and a revision to fund administration of the program. AGC opposed the bill and suggested UI use general funds to support the program. When budget projections were released, many legislators indicated they would support the bill. AGC then sought concessions in order to support the bill, including a seat on the UI Advisory Council and an annual review of the program. Governor Daugaard signed the bill.

HB 1112, revised certain provisions related to construction managers on certain public improvement projects. Bill enhanced the definition for construction manager to ensure that contracts do not act as architects or engineers on public improvement contractors. AGC monitored the bill. HB 1112 has been signed by the Governor.

HB 1116, revised certain standards for new construction where a building code ordinance has not been adopted. HB 1116 sought to set the 2009 version of the energy code for cities that have not adopted the building code. AGC monitored this bill. It was sent to the 41st Legislative Day in committee.

HB 1120, created protections and accommodations for pregnant and breastfeeding mothers in their places of employment. This bill tried to mandate language from the federal family and medical leave act and used very vague language to describe breaks, etc., that would be impossible for

employers to decipher, much less honor. AGC opposed this bill. It was sent to the 41st Legislative Day in committee.

Workforce Development

SB 65, established the South Dakota Board of Technical Education and to revise certain provisions regarding career and technical education and postsecondary technical institutes. This bill enacts passage of Constitutional Amendment R by establishing separate technical institute governance. AGC supported the bill. It has been signed by Governor Dugaard.

Roads and Bridges

SB 119, accommodated legislation to improve culverts in the state. This bill was a placeholder for a township attempt to grab more money from the highway fund, at the expense of other local governments and projects. AGC opposed this bill. The bill was tabled in committee by its sponsor.

SB 161, directed certain vehicle registration fees to counties with unorganized territory. The bill originally took fees from vehicle licensure that supported the highway patrol and gave it to local governments for roads. But that would have increased the highway patrol's revision from the highway trust fund. The bill was amended to give the license money to law enforcement, but died in committee. AGC monitored this bill.

Tax Increment Financing Districts

Governor Dugaard introduced a placeholder bill, SB 153, to retool how local governments could use TIFs. Those who saw a draft of the bill expressed concern and the desire to work out some issues. The bill was tabled and a work group has formed to discuss the issue. AGC has been invited to participate in the work group.

Campaign Finance and Ethics Reforms Bills

As promised, the 2018 Legislature passed a number of campaign finance and ethics reform bills to replace most of Initiated Measure 22, which they repealed in full. Here is a sampling of some of the reform bills of interest to AGC:

SB 27, an Act to prohibit certain direct conflicts of interest by public officials and to provide a penalty therefor. Any public official, including elected and appointed officials, officers, employees, board and commission members, along with others, who knowingly uses funds or property in violation of the public trust and that results in a direct financial benefit has committed a direct criminal conflict of interest.

SB 54, an Act to revise certain provisions regarding campaign finance requirements. An attempt by the Secretary of State to address some of the concerns raised by Initiated Measure 22, including tighter reporting requirements, communications disclosure rules, campaign finance filing and disclosures rules, communications statements requirements, etc. Bill spells out Attorney General's investigative power and civil penalties.

SB 59, an Act to clarify certain requirements relating to initiated measures. Moves the effective date of ballot measures to July 1 after November passage of measures. Previously, initiated measures were effective after the election canvass.

SB 77, an Act to provide for a fiscal note for any initiated measure, initiated amendment to the Constitution, or referred law that would have a fiscal impact on the state. If the Legislative Research Council thinks that any initiated measure or constitutional amendment may have an impact on revenues, expenditures, or fiscal liability of the state, the sponsor of the measure has to ask LRC to provide a fiscal note. The petition for any initiated measure or constitutional amendment may NOT be filed with the secretary of state until LRC provides the fiscal note. The fiscal note must be posted on the SOS web site.

SB 171, an Act to establish the Government Accountability Task Force to study campaign finance and to declare an emergency. This task force will look at all aspects of campaign finance over the summer and make recommendations to the 2018 Legislature.

HB 1052, an Act to provide certain protections for public employees who report violations of law. Says “No department, bureau, board, or commission of the state or any of its political subdivisions may dismiss, suspend from employment, demote, decrease the compensation of, or take any other retaliatory action against an employee because the employee reports in good faith to an appropriate authority a violation or suspected violation of a law or rule, an abuse of funds or abuse of authority, or substantial and specific danger to public health or safety, unless the report is specifically prohibited by law.”

HB 1069, an Act to repeal and revise certain provisions related to campaign finance and to declare an emergency. Secretary of State’s bill to tighten up campaign finance filings and reporting and require better reporting of election communications.

HB 1076, an Act to create a State Government Accountability Board
Creates a board made up of retired judges and applies only to the State Executive Branch.

HB 1073, an Act to revise and repeal certain provisions regarding gifts from registered lobbyists to public officials. Public officials or members of their family cannot accept a gift with a value greater than \$100 from a lobbyist. Food, entertainment or beverages provided for immediate consumption to public official is exempted from prohibitions.

HB 1141, an Act to provide for a legislative task force to consider certain legislation proposed to revise provisions regarding the constitutional amendment, initiative and referendum process in South Dakota. Another summer study that focuses only on initiated measures and constitutional amendments.

For a complete list of the bill tracker – log on to: www.sdagc.org

CONPAC of South Dakota

CONPAC is one of South Dakota's more active, and effective, political action committees. In 2016, CONPAC worked to shape the makeup of the South Dakota legislature by providing 55 campaign contributions to business-friendly legislative candidates. CONPAC also provided funding for Constitutional Amendment R and Initiated Measure 23, ensuring passage of R and defeat of IM 23.



And CONPAC is already gearing up for the 2018 election cycle, which will feature a gubernatorial race in addition to constitutional officers, all legislative seats and whatever ballot measure may arise. Plans are underway for fundraising efforts and a CONPAC membership drive. When you contribute to CONPAC, you are a member and take part in contribution decisions and delivery of campaign contributions to candidates.

Remember that when you contribute to CONPAC, you are also a member of CONPAC. When you are a CONPAC member, your voice is heard when decisions need to be made about contributions, bylaws, or policies. Remember that you can either contribute to CONPAC individually or through a corporation. We hope that you enjoy the flexibility in giving and contribute generously to CONPAC on an annual basis.

Make plans now to join for the next election cycle. Email becky@sdagc.org for membership information.

AGC of America Political Action Committee

The AGC of America Political Action Committee was established in 1977. AGC PAC is the non-partisan, federal political action committee of the Associated General Contractors of America. Its mission is to build a better Congress for AGC members. AGC PAC works to accomplish this through electing candidates for federal office who support the national legislative priorities of AGC. Through its efforts, AGC PAC encourages the political engagement of all AGC contractors to help shape a construction-friendly, federal legislative and regulatory environment.



Your contribution to the AGC PAC will ensure our message to Congress to **Make Transportation Job #1** and invest in our communities, our people and our transportation infrastructure.

For information on contributing to AGC PAC, log onto www.agc.org/PAC or e-mail David Ashinoff at ashinoff@agc.org or 202-547-3350.

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Mark Your Calendars! AGC Summer Fun Events!!



**Fishing Tournament
June 15 & 16, 2017
Pierre, SD**

**East River Golf Tournament
July 18, 2017
Willow Run Golf Course
Sioux Falls, SD**



**West River Golf Tournament
August 10, 2017
Red Rocks Golf Course
Rapid City, SD**

