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JUL 30 2013

BFM 50.10

ADMINISTRATIVE PROCEDURES ACT  
FISCAL NOTE  
Prepared by Submitting Agency

SOUTH DAKOTA PUBLIC  
UTILITIES COMMISSION

	CODE	NAME
DEPARTMENT	2610	Public Utilities Commission
DIVISION	26102	Grain/Warehouse Division
PROGRAM		

PROPOSED RULE: 20:10:11:01; 20:10:11:04.02; 20:10:11:10; 20:10:11:2.1; 20:10:11:12.2; 20:10:11:14; 20:10:11:15; 20:10:11:16; 20:10:11:17; 20:10:12:05; 20:10:12:05.01; 20:10:12:05.02; 20:10:12:10; 20:10:12:11; 20:10:12:12; 20:10:12:13; 210:10:12:14; 20:10:12:15; 20:10:12:18; 20:0:12:19

Hearing Date: July 30, 2013

FISCAL IMPACT STATEMENT: Pursuant to 1-26-4.2, these rules have minimal impact to all entities. No additional staffing or resources are needed.

FISCAL NOTE SUMMARY:

COST INCREASES (DECREASES)

State Agencies:	First-Year Impact	Continuous-Yearly Impact
TOTAL	\$0	\$0
Local Subdivisions:		
TOTAL	\$0	\$0
Small Businesses		
TOTAL	\$0	\$0

REVENUE INCREASES (DECREASES)

Revenue Increases (Decreases) State, Local & Small Business		
TOTAL	\$0	\$0

APPROVED \_\_\_\_\_  
Signature Department Secretary or Board or Commission Chairman

DATE 7/26/13

ATTACH: Copy of proposed rules; separate sections for: 1) explanation of rules effect, i.e. what procedures, schedules, activities, etc. will change with its adoption 2) statistics used, and their source, 3) assumptions that were made to arrive at fiscal impact, 4) computations that were made, 5) small business impact statement

### *Explanation of Rules Effect*

These proposed rule revisions affect rules regarding the regulation of grain buyers and grain warehouses by the Public Utilities Commission (Commission).

Explanation of the effect of the proposed grain warehouse rules, ARSD Chapter 20:10:11:

- 1) Allows online monthly grain reports (20:10:11:01);
- 2) slight revision regarding release of bond language (20:10:11:04.02);
- 3) posted notice to all locations when a warehouse license is suspended or revoked (20:10:11:10);
- 4) added protections when electronic warehouse receipts are used to prevent duplicate receipts and to require authorized handling of receipts (20:10:11:12.1 and 20:10:11:12.2);
- 5) allows license applicants to rely on additional financial reporting standards, requires cash flow statements if already prepared, and updates and clarifies financial statement requirements (20:10:11:14);
- 6) requires assets to exceed liabilities (20:10:11:15); and
- (7) revisions to "general authority" and "law implemented" to reflect statutory changes (20:10:11:01; 20:10:11:04.02; 20:10:11:10; 20:10:11:14; 20:10:11:15; 20:10:11:16; and 20:10:11:17).

Explanation of the effect of the proposed grain buyer rules, ARSD Chapter 20:10:12:

- 1) requires all locations to be listed on bonds (20:10:12:05);
- 2) clarifies how and when a grain buyer may provide additional bonds (20:10:12:05.01);
- 3) clarifies when a bond may be released (20:10:12:05.02);
- 4) repeals rules relating to decals for grain buyer vehicles as decals are no longer required by statute (20:10:12:10 through 20:10:12:12);
- 5) allows voluntary credit sale grain contracts to be enforceable under certain circumstances if not signed by both parties (20:10:12:13);
- 6) allows license applicants to rely on additional financial reporting standards, requires cash flow statements if already prepared, and updates and clarifies financial statement requirements (20:10:12:14);
- 7) requires an applicant for a class A grain buyer license to show a specified positive net worth and requires assets to exceed liabilities for all grain buyer license applicants (20:10:12:15);
- 8) sets the requirements for notice when a grain buyer license is suspended or revoked (20:10:12:18); and

9) requires a grain buyer to give notice of the transfer of ownership of a grain buyer's grain receiving facility (20:10:12:19).

The Commission does not believe that the rules will increase or decrease costs for state agencies, local subdivisions, or small businesses. The Commission does not believe that the rules will increase or decrease revenues for state agencies, local subdivisions, or small businesses.

### Fiscal Impact Statement

Rules 20:10:12:10, 20:10:12:11, and 20:10:12:12 are being repealed to be in compliance with House Bill 1017 which repealed SDCL 49-45-12, a statute that required decals on grain dealers' trucks and assessed a fee of \$15 per decal. The repeal of SDCL 49-45-12 resulted in a negative fiscal impact of \$7,650 for PUC revenues and, consequently, a positive fiscal impact of \$7,650 for grain dealers (510 decals x \$15). Although not in rule, House Bill 1017 also changed the statutes to increase the cost of license fees for grain warehouses and grain dealers. The increased license amounts are expected to increase PUC revenues by \$7,650 and, consequently, also increase the amount of expenditures for grain warehouses and grain dealers by \$7,650. There is a zero net impact from House Bill 1017 to the PUC.