

FORM 14

SMALL BUSINESS IMPACT STATEMENT

1. Our agency has determined that the rule(s) we are proposing have the following impact on small businesses (i.e., a business with 25 or fewer full-time employees):
 - Direct impact (Complete remainder of form, starting on question 2.)
 - Indirect impact (Explain impact specific to small businesses and how impact is indirect in the space below, then skip to the date and signature at the end of the form.)
 - No impact (Explain how there is no impact specific to small businesses in the space below, then skip to the date and signature at the end of the form.)

Explain: The proposed amendments to 20:10:01:12, 20:10:01:17.02, 20:10:26:04, 20:10:26:06, 20:10:32:52, 20:10:37:10, 20:10:37:17, 20:10:37:18, and 20:10:37:19 will have no impact.

Repeal of 20:10:01:12 will have no impact, as that rule has not been valid or utilized since repeal of the statute which implements that rule in 1987. The amendments to 20:10:01:17.02, 20:10:26:04, 20:10:26:06, 20:10:32:52, 20:10:37:10, 20:10:37:17, and 20:10:37:19 will not result in substantive changes to the rules and, therefore, will not have an impact on small businesses. The changes to 20:10:37:10 and 20:10:37:18 will have no effect on small businesses, because the changes reflect what is already required by federal law.

The only proposed rule change that will have an impact on small business is the amendment to 20:10:12:15. Therefore, the remainder of this form is completed as to that rule.

2. A general narrative and overview of the effect of the rule(s) on small business written in plain, easy to read language (do not repeat the general effect of the proposed rule(s), instead specify the proposal's effects on small business in particular):

For small businesses that operate as Class B grain buyers, the effect will be that they have to maintain a positive net worth of at least \$100,000, unless a waiver is obtained from the Public Utilities Commission. There are currently 70 Class B licensees, although it is unknown how many have 25 or fewer employees. Based upon data from the 2022-2023 license year, only two Class B companies had less than \$100,000 net worth. Companies

For small businesses that operate as Class A grain buyers, the effect will be that they must have a greater net worth to qualify for a Class A license, as well as a higher net worth if they wish to offer voluntary credit sale contracts.

A company that does not meet the financial requirements for a Class A or Class B license would be unable to operate as a grain buyer in this state unless the company obtained a waiver of the financial requirements.

3. What is the basis for the enactment of the rules(s)?
- Required to meet changes in federal law
 - Required to meet changes in state law
 - Required solely due to changes in date (i.e., must be changed annually)
 - Other: To protect producers by requiring grain buyers to have a higher level of net worth due to market changes and inflation.

4. Provide a brief discussion of the necessity of the rule(s):

The rules are necessary to ensure that those entities receiving a grain buyer license in this state have sufficient financial means to protect the producers and other entities from whom they purchase grain.

5. Describe the small businesses or types of small businesses that would be subject to the rule(s)?

Class A and Class B grain buyers licensed by the South Dakota Public Utilities Commission.

6. Estimate of the number of small businesses that would be subject to the rule(s):

- 1-99 100-499 500-999 1,000-4,999 More than 5,000
- Unknown - please explain:

7. Are small businesses required to file or maintain any reports or records under the rule(s)?

- Yes No

a. If "yes," how many annual reports must a small business submit to the state?

b. If "yes," how much ongoing recordkeeping within the business is necessary?

c. If "yes," what type of professional skills would be necessary to prepare the reports or records?

- The average owner of a small business should be able to complete the reports or records with no assistance.
- It is likely that a bookkeeper for a small business should be able to complete the reports or records.
- It is likely that a small business person would need the assistance of a CPA to complete the reports or records.
- It is likely that a small business person would need the assistance of an attorney to complete the reports or records.
- Other
- Unknown - please explain:

8. Are there any less intrusive or less costly methods to achieve the purpose of the rule(s) (i.e., fewer reports, less recordkeeping, lower penalties)?

No - please explain:

Yes - please explain:

12/15/2023
[Date]
Kristie Ziegen
[Authorized Signatory]

South Dakota Public Utilities Commission
[Agency Name]

This Small Business Impact Statement must be signed by the head of the agency or the presiding officer of the board or commission empowered to adopt rules.

A general explanation must be provided for each proposed rule or rule amendment. For multiple proposed rules with a single purpose and impact, only one explanation is required.

Agencies must use readily available information and existing resources to prepare this Small Business Impact Statement.