

FORM 14

SMALL BUSINESS IMPACT STATEMENT FORM

See SDCL 1-26-2.1

(NOTE: This form must be signed by either the head of the agency or the presiding officer of the board or commission empowered to adopt the rules. Check your statutes to see who is authorized to promulgate rules. A small business is defined as any business with 25 or fewer full-time employees. When a set of rules is proposed, a general summary shall be provided; each proposed rule amendment shall also be explained thoroughly. In the case of a large set of proposed rules which all have a single purpose and impact, one explanation is sufficient. The law makes it clear that agencies or commissions shall use readily available information and existing resources to prepare the impact statement.)

1. Our agency has determined that the rule/s we are proposing have the following type of impact on small businesses:
 - Direct impact (*please complete remainder of form*)
 - Indirect impact (*please provide a brief explanation, then sign, date, and submit form. Questions 2 through 8 do not need to be answered*)
2. A general narrative and overview of the effect of the rule(s) on small business - written in plain, easy to read language:

For small businesses that operate public storage warehouses, the effect is less regulation because they are no longer required to be licensed by the Commission. Recent statutory revisions removed the licensing requirements, so rule provisions relating to public storage warehouses were removed. *See 20:10:11:03 and 20:10:11:06.* In addition, the word "grain" was added in front of references to warehouses to clarify that the rules now only apply to grain warehouses. *See 20:10:11:07, 20:10:11:08.*

For grain warehouse operators who fall under the definition of a small business, the effect of the proposed revisions are as follows: (1) a SD resident agent signature on bonds is no longer required (20:10:11:04 and 20:10:11:04.01); (2) adds open storage and grain bank depositors to notice requirements (20:10:11:09); (3) deletes requirements regarding the ordering of additional warehouse receipts (20:10:11:11); (4) revises scale ticket requirements (20:10:11:12); (5) allows more flexibility in the construction of temporary storage units (20:10:11:13); and (6) allows an operator to request a waiver of a rule (20:10:11:18).

For small businesses that operate as grain buyers, the effects of the proposed revisions are as follows: (1) the term "grain dealer" is changed to "grain buyer" consistent with recently enacted legislation; (2) a SD resident agent signature on bonds is no longer required (20:10:12:05); (3) revises voluntary credit sale contracts to no longer require a date of delivery (20:10:12:13); (3) sets forth the financial statement requirements for class A and class B grain buyers' licenses (20:10:12:14); (4) requires the posting of licensing information (20:10:12:16); and (5) allows a grain buyer to request a waiver of a rule (20:10:12:17).

For small businesses who are pipeline operators, the proposed revisions to the pipeline safety rules reflect the current law which is that the operators are assessed annually instead of quarterly. *See* 20:10:31:04, 20:10:31:05.

3. What is the basis for the enactment of the rule(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: _____

4. Why is the rule(s) needed?

The Commission is making revisions to its public warehouse rules and grain dealer rules to reflect revisions that were made in the 2008 legislative session to the warehouse and grain dealer laws found in SDCL chapters 49-42, 49-42A, 49-43, and 49-45. Revisions to the pipeline safety rules also reflect current statutes.

5. What small businesses or types of small businesses would be subject to the rule?

Affected small businesses include those that operate public grain warehouses, are grain buyers, or are pipeline operators subject to the pipeline safety rules.

6. Estimate the number of small businesses that would be subject to the rule.

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 this rule?

Yes

No

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

Grain buyers are required to submit a financial statement when they apply for their annual license. The submission of a financial statement is not a new requirement, it is just being revised. The proposed revisions to financial statement requirements reflect changes in state law that now provide for two types of grain buyer licenses—class A and class B.

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

Recordkeeping would include sufficient records to produce a financial statement.

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 and/or records with no assistance

It is likely that a bookkeeper for a small business should be able to complete the reports and/or records

- It is likely that a small business person would need the assistance of a CPA to complete the reports and/or records

A financial statement may be prepared by an accountant, a grain commission or management firm, or an individual skilled in the preparation of financial statements.

- It is likely that a small business person would need the assistance of an attorney to complete the reports and/or records
- Other _____
- Unknown - please explain _____

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

- No - please explain -- financial statements are required by law
- Yes - please explain _____

6/17/08
Dated

Jay Hanson
Authorized Signature

Public Utilities Commission
Name of Agency