

**ADMINISTRATIVE PROCEDURES ACT
FISCAL NOTE
Prepared by Submitting Agency**

	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; 20:10:11:12.1; 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; 20:10:12:14; 20:10:12:15; 20:10:12:18; 20:10:12:19

Hearing Date: July 30, 2013, at 1:00 p.m., Room 414, 4th floor, State Capitol, Pierre, South Dakota

FISCAL IMPACT STATEMENT:

Brief description of fiscal impact: Pursuant to 1-26-4.2, these rules have minimal impact to all entities. No additional staffing or resources are needed.

FISCAL NOTE SUMMARY:

List state agencies of local governmental subdivisions affected.

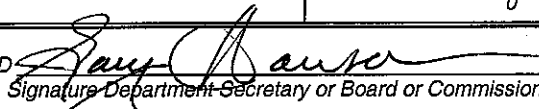
COST INCREASES (DECREASES)

State Agencies:	First-Year Impact	Continuous-Yearly Impact
TOTAL	0	0
Local Subdivisions:		
TOTAL	0	0
Small Business Increases (Decreases)		
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

7-1-13

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, and 5) small business impact statement

Revised June 2004

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.