



Legislative Research Council

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RECEIVED
AUG 06 2013
S.D. SEC. OF STATE

August 2, 2013

Representative Steve Hickey
4501 N. Ellis Road
Sioux Falls, SD 57107

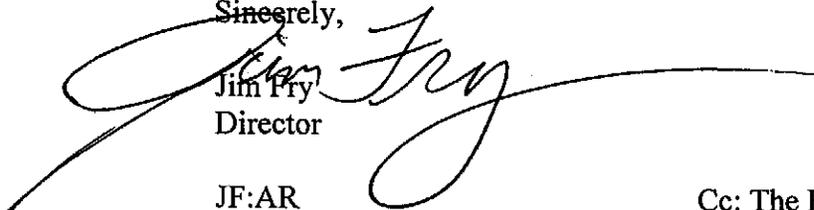
Dear Representative Hickey:

Pursuant to SDCL 12-13-25, this office is required to review each initiated law or initiated amendment to the South Dakota Constitution. Further, this office is required by SDCL 12-13-24 to determine if each initiative or initiated amendment is "written in a clear and coherent manner in the style and form of other legislation" and that it is "worded so that the effect of the measure is not misleading or likely to cause confusion among voters." You are under no obligation to accept any of the suggestions contained in this letter. But please keep in mind the legal standards established in SDCL 12-13-24.

We have reviewed your initiated measure and approve it for proper style and form as well as clarity. However, using the phrase "payday or title loan" in the title and in section 1 of the measure may cause some confusion. The terms "payday loan" and "title loan" do not encompass every potential loan regulated by chapter 54-4. If you intend that the maximum interest rate apply to each type of loan regulated by the chapter, then the broader term "loan," defined in SDCL 54-4-36 may be more appropriate verbiage.

This letter constitutes neither an endorsement of your initiated measure nor a guarantee of its statutory sufficiency. It does constitute fulfillment of your responsibility pursuant to SDCL 12-13-25 to submit your draft to this office for review and comment. If you proceed with your initiated measure, please take care to ensure that your statements or advertising do not imply that this office endorses or approves your proposals.

Sincerely,


Jim Fry
Director

JF:AR

Cc: The Honorable Jason Gant, Secretary of State

JUL 24 2013

South Dakota House of Representatives



Under God, The People Rule

Representative Steve Hickey

District 9

500 East Capitol Avenue

Pierre, SD 57501

Cell 605-321-5430

rep.hickey@state.sd.us

Jim -

Hope you are enjoying the summer!

Attached is an initiated measure I'm requesting you review prior to me submitting it to the AG. My understanding is that SDCL 12-13-25 requires you review the verbiage in the measure. Amanda drafted it at my request. There is interest to take this matter to the ballot and I agreed to get it ready.

Thanks!

FOR AN ACT ENTITLED, An Act to establish a maximum finance charge on ~~payday~~
^{certain} ~~and title~~ loans and to provide a penalty therefor.

BE IT ENACTED BY THE PEOPLE OF THE STATE OF SOUTH DAKOTA:

Section 1. That Chapter 54-4 be amended by adding a NEW SECTION to read as follows:

No licensee may contract for or receive a finance charge on a ~~payday or title~~ loan that, if expressed as an annual percentage rate, exceeds a rate of thirty-six percent. A violation of this section is a Class 1 Misdemeanor.