

STATE OF SOUTH DAKOTA



OFFICE OF ATTORNEY GENERAL

1302 East Highway 14, Suite 1
Pierre, South Dakota 57501-8501

Phone (605) 773-3215

Fax (605) 773-4106

TTY (605) 773-6585

www.state.sd.us/atg

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S.D. SEC. OF STATE

MARTY J. JACKLEY
ATTORNEY GENERAL

CHARLES D. McGUIGAN
CHIEF DEPUTY ATTORNEY GENERAL

HAND-DELIVERED

September 12, 2013

The Honorable Jason Gant
Secretary of State
500 E. Capitol
Pierre, SD 57501

RE: Maximum Finance Charge Initiated Measure

Dear Secretary Gant,

This Office received an initiated measure from its sponsor, Steve Hickey (South Dakotans for Reasonable Lending), pursuant to SDCL 12-13-25.1. In accordance with that statute, enclosed is the Attorney General's Statement prepared with respect to this measure. I also enclose a copy of the initiated measure, in final form, that was submitted to this Office.

By copy of this letter, I am providing Mr. Hickey with the same.

Sincerely,

A handwritten signature in black ink, appearing to read "Marty J. Jackley".

Marty J. Jackley
ATTORNEY GENERAL

MJJ/lde
Enclosures

cc w/ enc. Mr. Steve Hickey

INITIATED MEASURE
ATTORNEY GENERAL'S STATEMENT

Title: An initiated measure to set a maximum finance charge rate for certain money lenders.

Explanation:

The initiated measure prohibits certain State-licensed money lenders from making loans with a finance charge greater than an annual percentage rate of 36%. These money lenders make commercial and personal loans, including installment, automobile, short-term consumer, payday, and title loans.

The measure does not apply to loans made by state and national banks, other federally insured financial institutions, and state chartered trust companies. The measure also does not apply to businesses that provide financing for goods or services they sell.

Name of sponsor: South Dakotans for Reasonable Lending, % Steve Hickey,
4501 N. Ellis Rd. Sioux Falls, SD 57107

Here is the exact language:

FOR AN ACT ENTITLED, An Act to establish a maximum finance charge on certain 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 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.