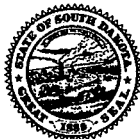


STATE OF SOUTH DAKOTA



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**MARTY J. JACKLEY**  
ATTORNEY GENERAL

**CHARLES D. McGUIGAN**  
CHIEF DEPUTY ATTORNEY GENERAL

HAND DELIVERED

August 10, 2015

Hon. Shantel Krebs  
Secretary of State  
500 E. Capitol  
Pierre, SD 57501

Re: **Attorney General's Statement—Amendment limiting the ability to set statutory interest rates for loans**

Dear Secretary Krebs,

This Office received an initiated constitutional amendment limiting the ability to set statutory interest rates for loans. The sponsor is Lisa Furlong. Enclosed is a copy of the constitutional amendment, in final form, that was submitted to this Office. In accordance with SDCL 12-13-25.1, I hereby submit the Attorney General's Statement with respect to this amendment.

By copy of this letter, I am providing a copy of the Attorney General's Statement to the sponsor pursuant to SDCL 12-13-25.1.

Very truly yours,

A handwritten signature in black ink, appearing to read "Marty Jackley", written over a horizontal line.

Marty J. Jackley  
ATTORNEY GENERAL

MJJ/PA/lde  
Enc.

cc w/enc.: Lisa Furlong  
Jason Hancock, Director of LRC

## CONSTITUTIONAL AMENDMENT

### ATTORNEY GENERAL'S STATEMENT

Title: An initiated amendment to the South Dakota Constitution limiting the ability to set statutory interest rates for loans

Explanation:

Under this constitutional amendment, there is no limit on the amount of interest a lender may charge for a loan of money if the interest rate is agreed to in writing by the borrower. If there is no written agreement, however, a lender may not charge more than 18% interest per year. A law setting an interest rate for loans is not valid unless the law gives the lender and borrower the ability to agree to a different rate. If an interest rate for loans is established by law, it must apply to every type of lender.

The amendment eliminates the ability to set statutory interest rates that are inconsistent with this amendment.

AN AMENDMENT TO THE CONSTITUTION

ENTITLED, An Amendment to Limit Certain Interest Rates on Loans to Eighteen Percent Under Certain Conditions and to Prohibit Discrimination in Setting Certain Interest Rates.

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

Section 1. That article VI of the Constitution of South Dakota be amended by adding new sections to read as follows:

29. No lender may charge interest for the loan or use of money in excess of eighteen per cent per annum unless the borrower agrees to another rate in writing. No law fixing an annual percentage rate of interest for the loan or use of money is valid unless the law provides borrowers the right to contract at interest rates as may be agreed to by the parties.
30. No law fixing a rate of interest or return for the loan or use of money, or fixing the service or any other charge that may be made or imposed for the loan or use of money, for any particular group or class engaged in lending money is valid. Any rate of interest or charge fixed by law shall apply generally and to all lenders without regard to the type or classification of the lender's business.