

# State of South Dakota

NINETY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2017

738Y0396

## SENATE BILL NO. 111

Introduced by: Senators Sutton, Frerichs, Heinert, Kennedy, Killer, and Nesiba and  
Representatives Hawley, Ahlers, Bartling, Lesmeister, McCleerey, Ring,  
Smith, and Wismer

1 FOR AN ACT ENTITLED, An Act to revise the administrative rule regarding income eligibility  
2 for assistance with child care costs.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That ARSD 67:47:01:05 be amended to read:

5 67:47:01:05. Income eligibility. Eligibility for child care services is based on annual  
6 income. Income is considered prospectively based on the verification required in this section.  
7 As proof of income, a recipient must provide either copies of the last two pay stubs or employer  
8 verification of current wages. A recipient who is self-employed must provide a copy of the  
9 recipient's most recent income tax return. Depreciation is not an allowable expense and will be  
10 added to the recipient's net profit or loss. Income is considered as follows:

11 (1) If the child resides with both parents, consider the child's unearned income and the  
12 income of both parents;

13 (2) If the child resides with both parents but the parents are separated due to work or school,  
14 consider the child's unearned income and the income of both parents;



1 (3) If the child resides with one parent, consider the child's unearned income and the income  
2 of the parent with whom the child resides;

3 (4) If the child resides with one parent and that parent is cohabiting with another individual  
4 who is not the child's parent, consider the child's unearned income and the income of the parent;

5 (5) If a child resides with one parent who is cohabiting with another individual and the  
6 parent and the cohabiting individual have a child in common, consider the unearned income of  
7 the children and the income of the parent and the cohabiting individual;

8 (6) If the child resides with one parent and that parent is married to an individual who is not  
9 the child's parent, consider the child's unearned income and the income of both the parent and  
10 the parent's spouse;

11 (7) If the child resides with one parent a majority of the time but is residing with the second  
12 parent temporarily, consider the child's unearned income and the income of the second parent  
13 with whom the child has taken temporary residency;

14 (8) If the child resides with a guardian but custody is held by the department or a tribe,  
15 consider only the child's unearned income;

16 (9) If the child resides with a guardian and the guardian has custody and is married, consider  
17 the child's unearned income and the income of the guardian and the guardian's spouse;

18 (10) If the child resides with an adult who is married and exercises parental control over the  
19 child, consider the child's unearned income and the income of the adult exercising parental  
20 control and the spouse of the adult exercising parental control; and

21 (11) If the child's parent resides with one or both parents, a guardian, or an adult exercising  
22 parental control, consider the child's unearned income and the earned and unearned income of  
23 the child's parent.

24 For the parent, guardian, or adult exercising parental control of the child, income includes

1 all earned and unearned income such as child support, TANF, social security income, rental or  
2 lease income, interest income, work study, tips, retirement, unemployment benefits, wages,  
3 veterans benefits, and workers compensation.

4 A household with adjusted income which exceeds ~~175~~ 200 percent of the federal poverty  
5 level or 85% of the state median income, whichever is less, is ineligible for child care  
6 assistance.