



Retail News Bulletin

February
1972

SESSION ENDS The 1972 legislative session came to a close on Friday afternoon. You'll soon be receiving Legislative Bulletin #5 - 1972, which will give you some additional information relative to the session and to our program. In about eleven months legislators will be coming back to Pierre. In the meantime there will be an election and you'll have something to say about who comes to Pierre. Start now deciding who deserves your vote.

Know the candidates
Know that the candidates know what you think
Know what the candidates think about what you think
Vote accordingly--your vote is precious

ANNUAL MEETING June 10, 11, 12 -- King's Inn - Pierre - Golf on Saturday and Sunday - Boating and fishing - Excellent speeches - Informative seminars - Annual Business Meeting - Make plans NOW for you and your wife to be in Pierre, June 10, 11, & 12, 1972.

FOOD STAMP PLAN Food Stamp Sales for the last six months of 1971 amounted to \$5,477,352. Very likely we can expect that the sales for fiscal 1971-1972 will be more than \$13 million. A good share of these sales are in communities where the sales tax is 5%, however, figured at 4% we find that the sales tax generated from Food Stamp Sales is well over the half million mark. This has been a tremendous shot in the arm to the grocery business and to state income. It becomes our responsibility to make sure that abuses are kept at a minimum in order that the program not be jeopardized.

ENCLOSURES We've included the sales tax report for the last quarter. How are you doing? Are you, and your community, doing everything possible to keep sales increasing? Are you really giving full service to your trade territory? We've also enclosed a special sheet detailing the rate of tax in various cities. Very likely you'll be interested in checking your taxes with the average rate of the city in which you live. I'm sure you will also be interested in checking your rate with the rates in other cities. This discrepancy in tax rate between counties is one of the bug bears that has held back tax reform in our state.

SELL
SDRA

Once there was a businessman who never joined his association. All of his life he took the benefits won for him by other members of the association, but refused to join.

Then on his deathbed he told his wife: "Dear, please do something for me. I want the association members to be my pallbearers."

"But you never belonged to the association," his wife said. "Why do you want the members to be your pallbearers?"

"Honey," he replied, "they've carried me this far....they might as well carry me the rest of the way."

LUCKY
WYOMING
CONSUMERS

Effective January 1, 1972 the authority to tax Business Inventory (Item 13 of the Business Personal Property Tax Report for 1972) is repealed in this state (Wyoming). This repeal was the result of the Wyoming Retail Merchants Association's program in the 1967 Legislature, which saw that body repeal the Business Inventory Tax via a 20% annual phase-out with no tax whatever in 1972. How about that!! Arizona, Colorado, Idaho, Oregon, Utah and Wisconsin have eliminated the Business Inventory Tax also. It's up to us to tell candidates for the Legislature that we expect them to give the idea of Business Inventory Tax elimination serious consideration. You want their vote and they need yours.

CONSUMER
RIGHTS

Consumers should be given five "basic rights":

1. Protection from fraud, deceit and misrepresentation.
2. Access to adequate information to make intelligent choices between products.
3. Reliance on products to work as represented by the manufacturer.
4. A right to expect that health and safety would not be endangered by products purchased.
5. A Marketing system that provides a wide range of choice to meet individual tastes and preferences.

Retailers will be able to give consumers these five basic rights if restrictive legislation is not forced upon them. If only consumer groups would come to us for cooperation rather than going to the government and asking for impossible restrictive legislation.

INVOLVED

One of the greatest weaknesses of businessmen is that they don't want to get involved in politics. They'll spend 15 hours a day in their business, but they won't spend ten minutes a week working on the thing that is most important to them-- their government relations problem. That is why businessmen don't have the wallop they have had in the past. Businessmen ought to spend more time because government is more important to them than any other decision they'll make in the whole year. Businessmen ought to make up their minds that politics is here to stay; that it's part of the life of this economy, and they should be prepared to spend some time at it. Incidentally, what did you do to help the SDRA Legislative Program this year??

SDRA COLLECTION SYSTEM As of January 1972, our SDRA approved collection system had collected about \$25,000 for SDRA members. If you've purchased a transmittal book, be sure to use it. The results will be quite satisfactory. The system cannot work if your transmittal book is gathering dust. If you have a question call TOLL FREE 800-328-7116.

ASSESSMENT DATE Have you filed your 1972 Assessment Form? Some changes have been made in the form which should be helpful to you. Take time to discuss this with your local Director of Equalization. Now is the time to do battle. The figures you turn in now are the deciding factor. Now is the time to make some decisions as to what your tax bill will be in 1973. We'll continue to work for complete elimination of the Business Inventory Tax, but in the meantime take time to look after your own interests.

RETAIL PRICES It seems probable that rules and interpretations in the next few weeks will show a tightening trend toward retailers -- those who meet and deal with the public. Enforcement may seem to be designed to prove to the press that retailers are being whipped into line. Price checks will be frequent and widespread. The Government means business. The Cost of Living Council, the Price Commission and field men from the Internal Revenue Service will do their best to get full compliance. Retailers will cooperate. They hope for even-handed treatment. If you have a problem or need some advice, call TOLL FREE -- 800-592-1870.

PRICE POSTING Reversal on Phase II Posting Requirements -- The price commission has reversed an early decision on posting requirements of retailers with annual sales between \$100,000 and \$200,000.

Effective immediately, all retail firms with annual sales between \$100,000 and \$200,000 must post at least one sign (22" x 28" minimum) on each selling floor reading as follows: Information regarding the lawful base price for any item sold by this store may be obtained by filling in a Base Price Information Request Form available at (specify location) and handing it to (fill in). You will receive a prompt answer by mail. Retailers between \$100,000 and \$200,000 in sales volume do not have to post their base prices.

CREDIT INFORMATION On pages 4 and 5 of this February 1972 Retail News Bulletin I have attempted to give you much pertinent information relative to the problem of credit (revolving charge accounts) here in South Dakota. It is most complex and difficult to understand. Let me say that here in this office we're trying to come up with what we think is best for the consumer and the retailer. Obviously, sometimes our efforts are misunderstood, but let me repeat, SDRA is absolutely attempting to always do what seems to be necessary for consumers and retailers. Your continued understanding and support will be much appreciated.

The combined efforts of five consumer-oriented organizations, Gordon Mydland of the Consumer Affairs Office, Les Kleven of the South Dakota Consumers League, the Low Income Council, the American Federation of Labor and the Farmers Union, were successful in soundly killing a bill which was sponsored by the South Dakota Retailers Association.

The SDRA had sought legislation which would limit the amount of service charge on revolving charge accounts to one and one half per cent per month. State law now provides that up to two per cent per month may be charged on certain revolving charge accounts and that even higher rates may be charged on certain other financial transactions. At present, as pointed out in a recent Supreme Court decision, the retail industry has no specific law under which revolving charge accounts may be handled.

Retailers must now rely upon the banks usury statute for their revolving credit operations. This particular rate is set at .833% per month. This low limit will have certain disastrous effects upon various segments of our economy such as:

1. Credit and amounts of credit will be denied to those who need it most.
2. Cash customers will be expected to subsidize credit customers.
3. Independent retailers, who wish to charge lower rates for granting credit, are being forced, by law, to lose a competitive advantage.
4. Extra, free services must of necessity be curtailed.
5. Business expansion will be held back.

The demand for credit is pointed out by the fact that well over fifty per cent of the sales in South Dakota today are done on credit. Retailers feel that the cost of allowing credit should not be hidden in the cash price. They also feel that the cash purchaser should not be expected to 'pick up the tab' for the cost of credit.

The SDRA wishes to express deep concern for the ability of the South Dakota retailer to provide the services desired by the buying public while constant restrictions are being placed upon what is considered their expected and normal operations.

CURRENT ALLOWABLE INTEREST
UNDER EXISTING SOUTH DAKOTA LAW

SDCL	54-3-7	(Usury Law)	
	54-3-7.1	- Corporations	- No Limit
	54-3-7.2	- Individuals	- 10%
SDCL	54-7-36	(Loans On Automobiles)	
	1½%	Per Month	- New Cars - 15%
	1½%	Per Month	- 1-2 Years Old - 18%
	2½%	Per Month	- Over 2 Years Old - 27%
SDCL	51-24-13	(BankAmericard Master Charge)	
	2%	Per Month On First \$500.00	- 24%
	1½%	Per Month On Over \$500.00	- 18%
SDCL	54-6-2	(Small Installment Loans)	
	30%	on First \$300.00	- 30%
	24%	On \$300.00 to \$600.00	- 24%
	18%	On \$600.00 to \$1,200.00	- 18%
	12%	On \$1,200 to \$2,500	- 12%
SDCL	54-5-2	(Installment Loans)	
	8%	<u>Add On</u> Interest Up To \$1,000	- 14.5%
	6%	<u>Add On</u> Interest \$1,000 to \$7,500	- 10.9%

As you can see, by the above chart, the retailers have no place to "hang their hat". The Supreme Court has decided that revolving charge accounts of retailers must fit under the Usury Laws of the State.

Senate Bill #159, introduced by Senators Mills, Anderson and Jones, at the request of SDRA, merely requested that the maximum rate for revolving charge accounts and installment contracts be placed in the same category as bank revolving accounts. We made it very clear that we did not want the limit set as high as 2% per month, but we did present considerable evidence to show the desirability of a 1½% per month rate.

Gordon Mydland, in his only television pronouncement during the session, said the rate requested by retailers was unconscionable. Les Kleven, radio personality from KBHB-Sturgis, laying the groundwork for running for the legislature next year, merely made the flat, unsupported statement that the rate requested was too high. Note: Many people think the advertising rates on Station KBHB are too high. The Low Income Council (Federally Funded) presented a survey purporting to say that retailers would be most willing and able to give credit at rates less than 10%. Cliff Shrader, representing Labor, and LeRoy Hardy, representing the Farmers Union, merely stated that retailers didn't need the high rates.

Evidently, other people understand our problems and costs better than we do ourselves.

g.v. 1972
 Sales & Use Tax Collections during OCTOBER, NOVEMBER, DECEMBER 1971
 representing
 quarterly returns for JULY, AUGUST, SEPTEMBER 1971
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TEN CITIES REPORTING MOST SALES & USE TAX

<u>TOWN</u>	<u>1970</u>	<u>1971</u>
Sioux Falls	\$2,354,993	\$2,511,763
Rapid City	1,512,012	1,688,574
Aberdeen	823,232	883,442
Mitchell	505,348	540,596
Watertown	498,651	534,282
Huron	433,383	447,872
Yankton	348,560	368,459
Pierre	314,074	342,099
Brookings	248,907	269,756
Winner	159,421	165,040

OTHER TOWNS AND CITIES OVER 500 POPULATION

<u>TOWN OR CITY</u>	<u>1970</u>	<u>1971</u>	<u>TOWN OR CITY</u>	<u>1970</u>	<u>1971</u>
Alcester	\$19,718	\$22,277	Deadwood	\$90,779	\$102,895
Alexandria	18,590	14,052	Dell Rapids	40,138	41,903
Arlington	32,698	30,781	DeSmet	38,417	38,982
Armour	20,566	19,941	Doland	7,020	6,001
Avon	19,161	20,753	Dupree	9,218	10,451
Belle Fourche	129,809	141,837	Eagle Butte	17,820	23,743
Beresford	55,675	58,317	Edgemont	18,616	21,333
Big Stone	7,570	9,102	Elk Point	22,949	24,965
Blunt	8,420	8,884	Elkton	10,733	9,991
Bowdle	18,704	19,437	Emery	11,263	10,307
Brandon	7,383	8,361	Estelline	18,657	20,068
Bridgewater	15,097	14,577	Eureka	48,162	52,039
Bristol	12,228	11,597	Faith	19,450	19,760
Britton	57,130	57,634	Faulkton	27,328	31,535
Bryant	12,567	12,281	Flandreau	48,359	45,593
Buffalo	14,269	16,196	Fort Pierre	33,545	36,332
Burke	21,910	22,635	Freeman	38,547	38,146
Canistota	13,386	14,260	Garretson	13,041	12,595
Canton	49,757	57,090	Gary	5,474	4,952
Castlewood	9,015	10,738	Geddes	6,075	6,650
Centerville	19,702	21,719	Gettysburg	65,965	72,491
Central City	3,778	3,912	Gregory	57,226	61,597
Chamberlain	102,380	110,451	Groton	25,015	24,457
Clark	35,798	36,688	Hartford	7,344	7,432
Clear Lake	40,934	37,256	Herreid	14,466	14,521
Colman	27,164	29,604	Highmore	31,149	33,329
Colton	18,502	17,839	Hosmer	7,307	8,338
Corsica	18,722	21,563	Hot Springs	86,352	97,678
Custer	117,717	126,667			

<u>TOWN OR CITY</u>	<u>1970</u>	<u>1971</u>	<u>TOWN OR CITY</u>	<u>1970</u>	<u>1971</u>
Hoven	\$18,391	\$19,383	Parker	\$22,154	\$23,780
Howard	37,759	32,759	Parkston	43,654	43,679
Hudson	7,255	6,525	Pine Ridge	7,874	412
Ipswich	36,640	46,005	Philip	40,592	45,044
Isabel	7,391	7,848	Plankinton	24,490	24,257
Kadoka	36,569	40,512	Platte	57,216	50,607
Kimball	16,483	15,528	Presho	26,864	29,551
Lake Andes	22,191	24,688	Redfield	106,262	106,418
Lake Preston	18,108	18,111	Roscoe	14,255	15,760
Lead	80,597	96,354	Salem	47,080	47,939
Lemmon	74,156	75,439	Scotland	25,004	21,089
Lennox	38,571	40,316	Selby	35,855	38,766
Leola	12,954	13,136	Sisseton	74,507	76,849
McIntosh	7,652	8,017	Spearfish	120,509	132,088
McLaughlin	21,649	25,574	Spencer	6,782	5,654
Madison	158,550	164,799	Springfield	11,608	14,080
Marion	32,626	29,672	Sturgis	106,867	128,993
Martin	41,472	44,720	Timber Lake	14,889	10,847
Menno	21,395	22,668	Tripp	20,826	20,594
Milbank	103,554	106,464	Tyndall	30,253	31,048
Miller	90,066	98,037	Vermillion	125,021	140,920
Mission	34,866	15,670	Viborg	13,576	14,268
Mobridge	130,019	122,532	Volga	17,431	16,130
Murdo	55,114	48,504	Wagner	43,990	49,277
Newell	20,854	19,793	Wall	83,451	92,707
N. Sioux City	21,165	28,040	Waubay	9,200	9,385
Onida	28,070	30,318	Webster	78,124	86,574
			Wess. Springs	30,890	30,965
			Wilmot	17,947	19,316
			Woonsocket	21,434	22,678
			White River	7,817	6,828

TOTAL:

	<u>1970</u>	<u>1971</u>
Sales Tax Collected in South Dakota	\$12,447,183.87	\$13,263,519.07
City Tax Collected in South Dakota	641,258.79	1,189,619.83
Public Utilities Tax Collections	933,694.79	958,327.22
Transient Sales Tax Collections	83,589.52	107,938.66
Sales Tax Collected Out of State	411,795.02	461,235.06
Out Of State Use Tax Collection	271,852.03	327,492.16
Consumers Use Tax Collections	48,124.58	89,722.02
Miscellaneous Use Tax	25,070.21	47,196.69
TOTAL TAX COLLECTIONS	\$14,862,904.14	\$16,445,050.71

P. O. Box 1026

PIERRE, SOUTH DAKOTA 57501

PHONE: 605-224-5050

SOUTH DAKOTA RETAILERS ASSOCIATION

	Saleable Val. of Home	#1971 Urban Ratio	Taxable Val. of Home by Ratio	City Levy	City Tax	School Levy	School Tax	County Levy	County Tax	Total Levy	Total Tax	Per Cent of Full Val.
13 Verdun	20,000.	35.0	7000.	26.24	183.68	50.95	356.65	10.45	73.15	67.64	613.48	3.0713
14 Bella Terra	20,000.	41.2	8240.	17.03	140.33	50.07	412.58	10.34	85.20	77.44	638.11	3.1911
15 Beechings	20,000.	46.2	9240.	12.92	119.38	47.60	439.82	10.50	97.02	71.02	656.22	3.2819
16 Canton	20,000.	47.7	9540.	18.67	178.11	45.04	429.68	10.01	95.50	73.72	703.29	3.5217
17 Chamberlain	20,000.	39.4	7880.	26.57	209.37	41.13	324.10	13.56	106.85	81.26	640.32	3.2010
18 Redwood	20,000.	44.3	8860.	27.02	239.40	50.89	450.89	10.99	97.37	88.90	787.66	3.9412
19 Sat Springs	20,000.	41.1	8220.	15.30	125.77	45.60	374.83	15.30	125.77	76.20	626.37	3.1311
20 Sharon	20,000.	41.6	8320.	25.36	211.00	51.92	431.97	9.94	82.70	82.22	725.67	3.6314
21 Land	20,000.	41.3	8260.	18.71	154.54	49.95	412.67	10.99	90.78	79.66	657.99	3.2918
22 Lannon	20,000.	42.6	8520.	18.01	153.45	39.43	336.20	13.04	111.10	70.51	600.75	3.0014
23 Madison	20,000.	45.5	9100.	22.27	202.66	47.96	436.44	14.06	127.95	84.29	767.05	3.8413
24 Milbank	20,000.	46.3	9260.	18.82	174.27	41.69	386.05	11.96	110.75	72.47	671.07	3.3614
25 Miller	20,000.	47.5	9500.	18.87	179.27	42.59	404.61	12.54	119.13	74.00	703.01	3.5218
26 Mitchell	20,000.	44.6	8920.	22.93	204.54	48.54	433.87	7.45	66.45	79.02	704.85	3.5218
27 Nobridge	20,000.	53.6	10720.	17.23	185.24	47.54	509.63	9.00	96.48	73.82	791.35	3.9617
28 Piove	20,000.	50.9	10180.	10.45	106.38	44.07	448.63	11.05	112.49	65.57	667.50	3.3415
29 Rapid City	20,000.	41.6	8320.	17.93	149.18	51.76	430.64	11.35	94.43	81.04	674.25	3.3715
30 Redfield	20,000.	43.0	8600.	21.96	188.86	45.68	392.85	11.90	102.34	79.54	684.05	3.4212
31 Sioux Falls	20,000.	37.8	7560.	21.79	164.73	48.31	365.22	4.59	34.70	74.69	564.65	2.8216
32 Sisseton	20,000.	43.9	8660.	19.77	171.21	48.15	416.98	15.13	131.03	83.05	719.22	3.6016
33 Spearfish	20,000.	39.1	6820.	18.89	128.83	53.72	366.37	10.99	74.95	83.60	570.15	2.8515
34 Sturgis	20,000.	43.5	8700.	22.57	196.36	47.81	415.95	9.11	79.26	79.49	691.57	3.4610
35 Vermillion	20,000.	50.9	10180.	9.99	101.70	45.59	464.11	9.44	96.10	65.02	661.91	3.3117
36 Watertown	20,000.	43.2	8640.	20.94	180.92	47.30	408.67	8.96	77.41	77.20	667.00	3.3416
37 Webster	20,000.	45.3	9060.	18.35	166.25	46.00	416.76	15.25	138.17	79.60	721.18	3.6115
38 Winner	20,000.	40.3	8050.	10.79	86.97	34.97	281.86	11.62	93.66	57.38	462.49	2.3111
39 Yankton	20,000.	55.1	11020.	16.47	181.50	39.33	433.42	6.67	73.50	62.47	688.42	3.4411

* This figure is the actual Ratio for the City designated

South Dakota Retailers Association
P.O. Box 1026
Pierre, South Dakota 57501

Bulk Rate
U.S. Postage
PAID
Pierre, S. D.
Permit #185