

AN ACT

ENTITLED, An Act to provide a property tax exemption for coal-fired power plants upgrading pollution control equipment.

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

Section 1. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as follows:

Terms as used in this Act mean:

- (1) "Coal-fired power plant," any person, corporation, limited liability company, association, company, partnership, political subdivision, municipality, rural electric cooperative, consumers power district, or any group or combination acting as a unit, owning or holding under lease, or otherwise, real property used, or intended for use, for the conversion of coal into electric power;
- (2) "Environmental upgrade," an investment in an existing coal-fired power plant of more than ten million dollars in real or personal property that is designed to reduce the plant's emission of an air pollutant to the level imposed as an emission standard at a comparable coal-fired power plant permitted under best available control technology requirements within five years preceding the application for exemption.

Section 2. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as follows:

Any coal-fired power plant performing an environmental upgrade may apply for the exemption in section 3 of this Act upon forms provided by the secretary of revenue and regulation before beginning the environmental upgrade. Upon approval of the application, the secretary shall issue a certificate of exemption. The secretary may require any information from the coal-fired power plant necessary to administer this exemption. The secretary of revenue and regulation, as an aid to the

determination of the exemption provided by this Act, may call upon the Department of Environment and Natural Resources for any information and facts which the department may have concerning a coal-fired power plant seeking the exemption provided by section 3 of this Act. The Department of Environment and Natural Resources shall furnish the information upon request.

Any coal-fired power plant receiving the exemption provided in section 3 of this Act may waive the exemption and the hold harmless provision of section 3 of this Act for subsequent assessment years by filing a waiver with the secretary of revenue and regulation before the second Tuesday of August.

Section 3. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as follows:

The first year after the environmental upgrade, the original cost of the environmental upgrade, as reported to the agency regulating the coal-fired power plant, is exempt from ad valorem taxation. In the second and subsequent years after the environmental upgrade, the depreciated cost of the environmental upgrade, as reported to the agency regulating the coal-fired power plant, is exempt from ad valorem taxation.

This exemption shall be allocated proportionately, based upon percentage ownership of the coal-fired power plant. However, no coal-fired power plant may have its assessed valuation reduced below its valuation for the year preceding the first year it received this exemption.

Section 4. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as follows:

The secretary of the Department of Revenue and Regulation may promulgate rules, pursuant to chapter 1-26, concerning this exemption to:

- (1) Specify the real and personal property that makes up an environmental upgrade;
- (2) Determine the original and depreciated cost of the environmental upgrade;

- (3) Establish a procedure to calculate the effect of the exemption upon the assessed value of the coal-fired power plant; and
- (4) Allocate the exemption between the ownership of the coal-fired power plant.

An Act to provide a property tax exemption for coal-fired power plants upgrading pollution control equipment.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1227

\_\_\_\_\_  
Chief Clerk

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\_\_\_\_\_  
Speaker of the House

Attest:

\_\_\_\_\_  
Chief Clerk

\_\_\_\_\_  
President of the Senate

Attest:

\_\_\_\_\_  
Secretary of the Senate

House Bill No. 1227  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

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Received at this Executive Office this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

By \_\_\_\_\_  
for the Governor

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The attached Act is hereby approved this \_\_\_\_\_ day of \_\_\_\_\_ , A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_ , 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of State

By \_\_\_\_\_  
Asst. Secretary of State