

# State of South Dakota

EIGHTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2011

690S0355

SENATE ENGROSSED NO. **SB 152** - 2/23/2011

Introduced by: Senators Rhoden, Adelstein, Cutler, Fryslie, Gray, Hunhoff (Jean), Kraus, Krebs, Lederman, Maher, Nelson (Tom), Nygaard, Olson (Russell), Putnam, Rampelberg, Rave, Schlekeway, Tidemann, Tieszen, and Vehle and Representatives Dryden, Abdallah, Brunner, Carson, Gosch, Hansen (Jon), Hoffman, Kirkeby, Kopp, Moser, Munsterman, Nelson (Stace), Olson (Betty), Perry, Romkema, Sly, Steele, Verchio, Willadsen, and Wink

1 FOR AN ACT ENTITLED, An Act to require that any reduction in the general fund levies of  
2 a school district only account for increases in the taxable valuation of property and to revise  
3 the property tax levies for the general fund of a school district.

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

5 Section 1. That § 13-13-72 be amended to read as follows:

6 13-13-72. It is the policy of the Legislature that the appropriation for the state aid to  
7 education foundation program increase on an annual basis by the percentage increase in local  
8 need on an aggregate statewide basis so that the relative proportion of local need paid by local  
9 effort and state aid shall remain constant. For school fiscal year 2012, it is the policy of the  
10 Legislature that the relative proportion of the total local need paid by state aid shall be amended  
11 by adjusting the proportion of state aid to fifty-three and eight-tenths percent of the total local  
12 need. However, the increase in the per student allocation on an annual basis that exceeds three  
13 percent shall be paid solely by the state and is not a factor in this policy.



1 Section 2. That subdivision (4) of § 13-13-10.1 be amended to read as follows:

2 (4) "Per student allocation," for school fiscal year ~~2011 is \$4,804.60~~ 2012 is \$4,494.28.

3 Each school fiscal year thereafter, the per student allocation is the previous fiscal  
4 year's per student allocation increased by the index factor;

5 Section 3. That § 13-13-72.1 be amended to read as follows:

6 13-13-72.1. Any adjustments in the levies specified in § 10-12-42 made pursuant to §§ 13-  
7 13-71 and 13-13-72 shall be based on maintaining the relationship between statewide local  
8 effort as a percentage of statewide local need in the fiscal year succeeding the fiscal year in  
9 which the adjustment is made. However, for fiscal year 2013 and each year thereafter, if the  
10 levies specified in § 10-12-42 are not adjusted to maintain this relationship, the per student  
11 allocation as defined in § 13-13-10.1(4) shall be reduced to maintain the relationship between  
12 statewide local effort as a percentage of statewide local need. Any adjustment to the levy for  
13 agricultural property shall be based upon the change in the statewide agricultural taxable  
14 valuation and the reclassification of agricultural property to another property classification. Any  
15 adjustment to the levies for nonagricultural property and owner-occupied single-family  
16 dwellings shall be based upon the change in the statewide nonagricultural property and owner-  
17 occupied single-family dwellings taxable valuations. However, if any new project with a total  
18 taxable valuation of one hundred fifty million dollars or more is constructed, the levies shall be  
19 proportionately decreased for agricultural property, nonagricultural property, and owner-  
20 occupied single-family dwellings. In addition to the adjustments in the levies provided by this  
21 section, the levies shall also be annually adjusted as necessary to reduce the portion of local  
22 need paid by local effort by an amount equal to nine million dollars from those funds transferred  
23 into the property tax reduction fund pursuant to § 10-50-52 subsequent to July 1, 2007. In  
24 addition to the adjustments in the levies provided by this section, the levies for nonagricultural

1 property and owner-occupied single-family dwellings shall also be adjusted as necessary to  
2 account for the additional increase in the total assessed value for nonagricultural property and  
3 owner-occupied single-family dwellings pursuant to the phasing out and repeal of the provisions  
4 provided in § 10-6-74.

5 Section 4. That § 10-12-42 be amended to read as follows:

6 10-12-42. For taxes payable in ~~2011~~ 2012 and each year thereafter, the levy for the general  
7 fund of a school district shall be as follows:

8 (1) The maximum tax levy shall be eight dollars and forty-nine and one tenth cents per  
9 thousand dollars of taxable valuation subject to the limitations on agricultural  
10 property as provided in subdivision (2) of this section, and owner-occupied property  
11 as provided ~~for~~ in subdivision (3) of this section;

12 (2) The maximum tax levy on agricultural property for such school district shall be two  
13 dollars and ~~fifty-five and four tenths~~ forty-seven and eight tenths cents per thousand  
14 dollars of taxable valuation. If the district's levies are less than the maximum levies  
15 as stated in this section, the levies shall maintain the same proportion to each other  
16 as represented in the mathematical relationship at the maximum levies; and

17 (3) The maximum tax levy for an owner-occupied single-family dwelling as defined in  
18 § 10-13-40; for such school district ~~may not exceed~~ shall be three dollars and ninety-  
19 six and five tenths cents per thousand dollars of taxable valuation. If the district's  
20 levies are less than the maximum levies as stated in this section, the levies shall  
21 maintain the same proportion to each other as represented in the mathematical  
22 relationship at the maximum levies.

23 All levies in this section shall be imposed on valuations where the median level of  
24 assessment represents eighty-five percent of market value as determined by the Department of

1 Revenue and Regulation. These valuations shall be used for all school funding purposes. If the  
2 district has imposed an excess levy pursuant to § 10-12-43, the levies shall maintain the same  
3 proportion to each other as represented in the mathematical relationship at the maximum levies  
4 in this section. The school district may elect to tax at less than the maximum amounts set forth  
5 in this section.