

State of South Dakota

EIGHTY-SIXTH SESSION
LEGISLATIVE ASSEMBLY, 2011

690S0355

HOUSE APPROPRIATIONS ENGROSSED NO. **SB 152** - 3/7/2011

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 revise certain provisions concerning state aid to
2 education, to revise and provide for the adjustment of the per student allocation for the state
3 aid to general education formula, and to revise certain property tax levies for the general
4 fund of a school district.

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

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

7 13-13-72. It is the policy of the Legislature that the appropriation for the state aid to
8 education foundation program increase on an annual basis by the percentage increase in local
9 need on an aggregate statewide basis so that the relative proportion of local need paid by local
10 effort and state aid shall remain constant. For school fiscal year 2013, it is the policy of the
11 Legislature that the relative proportion of the total local need paid by state aid shall be amended
12 by adjusting the proportion of state aid to fifty-three and eight-tenths percent of the total local



1 need. However, the increase in the per student allocation on an annual basis that exceeds three
2 percent shall be paid solely by the state and is not a factor in this policy.

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

4 (4) "Per student allocation," for school fiscal year ~~2011 is \$4,804.60~~ 2012 is \$4,389.95.

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

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

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

1 into the property tax reduction fund pursuant to § 10-50-52 subsequent to July 1, 2007. In
2 addition to the adjustments in the levies provided by this section, the levies for nonagricultural
3 property and owner-occupied single-family dwellings shall also be adjusted as necessary to
4 account for the additional increase in the total assessed value for nonagricultural property and
5 owner-occupied single-family dwellings pursuant to the phasing out and repeal of the provisions
6 provided in § 10-6-74.

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

8 10-12-42. For taxes payable in ~~2011~~ 2012 and each year thereafter, the levy for the general
9 fund of a school district shall be as follows:

- 10 (1) The maximum tax levy shall be eight dollars and forty-nine and one tenth cents per
11 thousand dollars of taxable valuation subject to the limitations on agricultural
12 property as provided in subdivision (2) of this section, and owner-occupied property
13 as provided ~~for~~ in subdivision (3) of this section;
- 14 (2) The maximum tax levy on agricultural property for such school district shall be two
15 dollars and ~~fifty-five and four tenths~~ thirty-eight and eight tenths cents per thousand
16 dollars of taxable valuation. If the district's levies are less than the maximum levies
17 as stated in this section, the levies shall maintain the same proportion to each other
18 as represented in the mathematical relationship at the maximum levies; and
- 19 (3) The maximum tax levy for an owner-occupied single-family dwelling as defined in
20 § 10-13-40; for such school district ~~may not exceed~~ shall be three dollars and ninety-
21 six and five tenths cents per thousand dollars of taxable valuation. If the district's
22 levies are less than the maximum levies as stated in this section, the levies shall
23 maintain the same proportion to each other as represented in the mathematical
24 relationship at the maximum levies.

1 All levies in this section shall be imposed on valuations where the median level of
2 assessment represents eighty-five percent of market value as determined by the Department of
3 Revenue and Regulation. These valuations shall be used for all school funding purposes. If the
4 district has imposed an excess levy pursuant to § 10-12-43, the levies shall maintain the same
5 proportion to each other as represented in the mathematical relationship at the maximum levies
6 in this section. The school district may elect to tax at less than the maximum amounts set forth
7 in this section.