

AN ACT

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

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

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

13-13-72. It is the policy of the Legislature that the appropriation for the state aid to education foundation program increase on an annual basis by the percentage increase in local need on an aggregate statewide basis so that the relative proportion of local need paid by local effort and state aid shall remain constant. For school fiscal year 2013, it is the policy of the Legislature that the relative proportion of the total local need paid by state aid shall be amended by adjusting the proportion of state aid to fifty-three and eight-tenths percent of the total local need. However, the increase in the per student allocation on an annual basis that exceeds three percent shall be paid solely by the state and is not a factor in this policy.

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

(4) "Per student allocation," for school fiscal year 2012 is \$4,389.95. Each school fiscal year thereafter, the per student allocation is the previous fiscal year's per student allocation increased by the index factor;

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

13-13-72.1. Any adjustments in the levies specified in § 10-12-42 made pursuant to §§ 13-13-71 and 13-13-72 shall be based on maintaining the relationship between statewide local effort as a percentage of statewide local need in the fiscal year succeeding the fiscal year in which the adjustment is made. However, for fiscal year 2013 and each year thereafter, if the levies specified in § 10-12-42 are not adjusted to maintain this relationship, the per student allocation as defined in

§ 13-13-10.1(4) shall be reduced to maintain the relationship between statewide local effort as a percentage of statewide local need. Any adjustment to the levy for agricultural property shall be based upon the change in the statewide agricultural taxable valuation and the reclassification of agricultural property to another property classification. Any adjustment to the levies for nonagricultural property and owner-occupied single-family dwellings shall be based upon the change in the statewide nonagricultural property and owner-occupied single-family dwellings taxable valuations. However, if any new project with a total taxable valuation of one hundred fifty million dollars or more is constructed, the levies shall be proportionately decreased for agricultural property, nonagricultural property, and owner-occupied single-family dwellings. In addition to the adjustments in the levies provided by this section, the levies shall also be annually adjusted as necessary to reduce the portion of local need paid by local effort by an amount equal to nine million dollars from those funds transferred into the property tax reduction fund pursuant to § 10-50-52 subsequent to July 1, 2007. In addition to the adjustments in the levies provided by this section, the levies for nonagricultural property and owner-occupied single-family dwellings shall also be adjusted as necessary to account for the additional increase in the total assessed value for nonagricultural property and owner-occupied single-family dwellings pursuant to the phasing out and repeal of the provisions provided in § 10-6-74.

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

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

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

- (2) The maximum tax levy on agricultural property for such school district shall be two dollars and thirty-eight and eight tenths cents per thousand dollars of taxable valuation. If the district's levies are less than the maximum levies as stated in this section, the levies shall maintain the same proportion to each other as represented in the mathematical relationship at the maximum levies; and
- (3) The maximum tax levy for an owner-occupied single-family dwelling as defined in § 10-13-40 for such school district shall be three dollars and ninety-six and five tenths cents per thousand dollars of taxable valuation. If the district's levies are less than the maximum levies as stated in this section, the levies shall maintain the same proportion to each other as represented in the mathematical relationship at the maximum levies.

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

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I certify that the attached Act  
originated in the  
  
SENATE as Bill No. 152

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

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

Attest:

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

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

Attest:

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

Senate Bill No. 152  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

\_\_\_\_\_  
Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_ ,  
  
20\_\_ at \_\_\_\_\_ M.

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

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

\_\_\_\_\_  
Governor

\_\_\_\_\_  
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