



## 2021 South Dakota Legislature

# House Bill 1230

Introduced by: **Representative Dennert**

1 **An Act to establish a fund to assist counties with paying certain expenditures.**

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

3 **Section 1.** That § 10-1-44 be AMENDED.

4 **10-1-44. Establishment of sales and use tax collection fund.**

5 There shall be established within the state treasury the sales and use tax collection  
6 fund for the purpose of administering the sales, use, municipal non-ad valorem, and  
7 contractors' excise taxes. Charges for the administration and collection of taxes collected  
8 pursuant to chapter 10-52 shall be deposited into the sales and use tax collection fund.  
9 In addition, subject to the provisions of § 10-1-44.5, the secretary of the Department of  
10 Revenue shall, on a monthly basis, deposit revenue collected as a result of taxes imposed  
11 in chapters 10-45, 10-46, and 10-58 in the sales and use tax collection fund. The total  
12 amount deposited in the sales and use tax collection fund may not exceed the amount  
13 budgeted for such purposes. All money in the fund created by this section shall be  
14 budgeted and expended in accordance with the provisions of Title 4 on warrants drawn by  
15 the state auditor on vouchers approved by the secretary of the Department of Revenue.

16 At the end of each fiscal year any cash balance left in the sales and use tax collection  
17 fund shall be transferred to the general fund.

18 **Section 2.** That a NEW SECTION be added:

19 **10-1-44.5. Establishment of county capital improvement fund--Purpose--**  
20 **Deposit amount--Increase in deposit amount--Promulgation of rules.**

21 There shall be established within the state treasury the county capital improvement  
22 fund to assist a county with meeting expenditures for the purpose of acquiring,  
23 constructing, renovating, or replacing, within the county's jurisdictional boundaries, a  
24 building or structure described in §§ 7-25-1 and 7-25-3, or a facility designed to reduce  
25 jail incarceration.

1           The secretary of the Department of Revenue shall, on a monthly basis, deposit five  
2           hundredths of a percent of the revenue collected as a result of taxes imposed in chapters  
3           10-45 and 10-46 in the county capital improvement fund. Beginning on July 1, 2022, and  
4           on each July first thereafter up to and including July 1, 2025, the monthly deposit amount  
5           shall be increased by an additional five hundredths of a percent of the revenue collected.

6           The Board of Economic Development shall promulgate rules, pursuant to chapter  
7           1-26, concerning the county capital improvement fund as follows:

8           (1) Application procedures to receive distributions of moneys from the fund;

9           (2) Criteria for evaluating applications and approving distributions of moneys from the  
10           fund;

11           (3) The time period over which approved moneys will be distributed from the fund;  
12           and

13           (4) Follow-up reporting to the board by counties that are distributed moneys from the  
14           fund.

15           Any expenditures authorized from the county capital improvement fund shall be  
16           paid on warrants drawn by the state auditor on vouchers approved by the commissioner  
17           of the Governor's Office of Economic Development.