



## 2022 South Dakota Legislature

# House Bill 1197

Introduced by: **Representative Derby**

1 **An Act to include certain costs as project costs for tax increment financing districts.**

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

3 **Section 1. That § 11-9-15 be AMENDED:**

4 **11-9-15.** Project costs include:

- 5 (1) Capital costs, including the actual costs of the construction of public works or  
6 improvements, buildings, structures, and permanent fixtures; the demolition,  
7 alteration, remodeling, repair, or reconstruction of existing buildings, structures,  
8 and permanent fixtures; the acquisition of equipment; the clearing, over-  
9 excavation, and grading of land, including use of engineered fill and soil  
10 compaction; and the amount of interest payable on tax increment bonds issued  
11 pursuant to this chapter until such time as positive tax increments to be received  
12 from the district, as estimated by the project plan, are sufficient to pay the principal  
13 of and interest on the tax increment bonds when due;
- 14 (2) Financing costs, including all interest paid to holders of evidences of indebtedness  
15 issued to pay for project costs, any premium paid over the principal amount thereof  
16 because of the redemption of obligations prior to maturity and a reserve for the  
17 payment of principal and interest on obligations in an amount determined by the  
18 governing body to be reasonably required for the marketability of obligations;
- 19 (3) Real property assembly costs, including the actual cost of the acquisition by a  
20 municipality of real or personal property within a district less any proceeds to be  
21 received by the municipality from the sale, lease, or other disposition of property  
22 pursuant to a project plan;
- 23 (4) Professional service costs, including those costs incurred for architectural, planning,  
24 engineering, and legal advice and services;
- 25 (5) Imputed administrative costs, including reasonable charges for the time spent by  
26 municipal employees in connection with the implementation of a project plan;

- 1       (6) Relocation costs;
- 2       (7) Organizational costs, including the costs of conducting environmental impact and
- 3             other studies and the costs of informing the public of the creation of a district and
- 4             the implementation of project plans; and
- 5       (8) Payments and grants made, at the discretion of the governing body, which are
- 6             found to be necessary or convenient to the creation of a district, the
- 7             implementation of project plans, or to stimulate and develop the general economic
- 8             welfare and prosperity of the state. No payment or grant may be used for any
- 9             residential structure pursuant to § 11-9-42.