



2022 South Dakota Legislature

Senate Bill 203

Introduced by: **Senator Schoenfish**

1 **An Act to revise certain provisions regarding utility facilities and revenue bonds.**

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

3 **Section 1. That § 46A-9-56 be AMENDED:**

4 **46A-9-56.** Any district organized pursuant to this chapter may borrow money and
 5 incur indebtedness for any corporate use or purpose authorized in this chapter and to the
 6 extent applicable pursuant to chapter 9-40, provided the indebtedness, liability, or
 7 obligation of the district for the payment of money in any manner, and whether arising
 8 from contract, implied contract, or otherwise, is payable solely:

- 9 (1) From revenues, income, receipts, and profits derived by the district from its
 10 operation and management of systems and irrigation works as provided in this
 11 chapter ~~provided~~ or in chapter 9-40; or
 12 (2) From the issuance or sale by the district of its warrants, notes, revenue bonds,
 13 debentures, or other evidences of indebtedness, (hereinafter referred to in this
 14 section as "district obligations") payable solely from such revenues, income,
 15 receipts, and profits. All bonds shall be authorized, issued, and sold as provided in
 16 chapter 6-8B and to the extent applicable under chapter 9-40. However, no bond
 17 election is required.

18 **Section 2. That § 46A-9-71 be AMENDED:**

19 **46A-9-71.** If, in order to borrow money from the federal government or from any
 20 of its agencies, or from the State of South Dakota, or from any other public or private
 21 provider of financing, it becomes necessary that the water user district mortgage or
 22 otherwise hypothecate any of its property or assets to secure the payment of a loan made
 23 to it by or from such a source, the district may mortgage or hypothecate the property and
 24 assets for ~~such~~ these purposes. Nothing in this section prevents the district from assigning,
 25 pledging, or otherwise hypothecating its revenues, incomes, receipts, or profits to secure

1 the payment of indebtedness to the federal government or any federal agency,~~or~~ the
2 State of South Dakota, or any other public or private provider of financing. However, the
3 State of South Dakota may never pledge its credit or funds, or any part of its credit or
4 funds, for the payment or settlement of any indebtedness or obligation whatsoever of any
5 district created under the provisions of this chapter. Nothing in this chapter authorizes
6 any agency of the State of South Dakota to make loans to any such district, unless the
7 agency is otherwise authorized by law to make such loans.