



2023 South Dakota Legislature

House Bill 1109

Introduced by: **Representative Drury**

1 **An Act to modify the occupation tax for business improvement districts.**

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

3 **Section 1. That § 9-55-7 be AMENDED:**

4 **9-55-7.** Upon receiving a recommendation from the business improvement board,
 5 the governing body may create one or more business improvement districts by adopting
 6 a resolution of intent to establish ~~a district~~ one or more business improvement districts.
 7 The resolution ~~shall~~ must contain the following information:

- 8 (1) A description of the boundaries of any proposed district;
- 9 (2) The date, time, and place of a hearing to be held by the governing body to consider
 10 establishment of a district ~~or districts~~;
- 11 (3) The proposed public facilities and improvements to be made or maintained within
 12 any ~~such~~ proposed district; ~~and~~
- 13 (4) The proposed or estimated costs for improvements, facilities and activities within
 14 any district, and the method by which ~~the~~ revenue shall be raised. If a special
 15 assessment is proposed, the resolution ~~also shall~~ must state the proposed method
 16 of assessment; and
- 17 (5) That the method of raising revenue shall be fair and equitable.

18 ~~The notice of intent shall recite that the method of raising revenue shall be fair and~~
 19 ~~equitable.~~

20 In the use of a general occupation tax, the tax ~~shall~~ must be based primarily on
 21 the square footage of the owner's and user's place of business, or based on rooms rented
 22 by any lodging establishment to transient guests as defined in § 10-45-7. If the
 23 ~~occupational~~ occupation tax is based on rooms rented by a lodging establishment, the tax
 24 ~~shall~~ must be imposed on the transient guest, and ~~such~~ the tax may either be set at an
 25 amount not exceed two exceeding four dollars per occupied room per night, or at a rate
 26 not exceeding four percent of the rented room charge. ~~However, If a lodging establishment~~

1 does not charge a fee or rent for a room, ~~no occupational occupation tax~~ may be imposed
2 ~~on any the~~ transient guest ~~who has been offered a room by a lodging establishment on a~~
3 ~~complimentary basis and no fee or rent was charged for such room.~~

4 In the use of a special assessment, the assessment ~~shall~~ must be based upon the
5 special benefit to the property within the business improvement district.