

Roll Call

Present: Sen. Crabtree, Sen. Grove, Sen. Blanc, Sen. Davis, Sen. Hulse, and Sen. Kolbeck (Steve)

Excused: Sen. Hohn

The meeting was called to order by Senator Kolbeck (Steve)

MOTION: TO APPROVE THE MINUTES OF WEDNESDAY, FEBRUARY 19TH

Moved by: Grove
Second by: Crabtree
Action: Prevailed by voice vote

SB 191 : limit annual valuation increases on owner-occupied single-family dwellings.

MOTION: AMEND SB 191

191A

On page 1, line 2, of the Introduced bill, after "dwellings" insert " and nonagricultural property"

Moved by: Crabtree
Second by: Grove
Action: Prevailed by voice vote

MOTION: AMEND SB 191

191B

On page 2, line 23, of the Introduced bill, after "addition" insert " to,"
On page 2, line 23, of the Introduced bill, delete " to" and insert " of,"
On page 2, line 24, of the Introduced bill, after "addition" insert " to,"
On page 2, line 24, of the Introduced bill, delete " to" and insert " of,"
On page 2, line 28, of the Introduced bill, delete "The renovation of existing structures does not constitute an addition or expansion of the property." and insert "For purposes of this section, the increase in taxable value from improvements to owner occupied property does not include additions to, or improvements of, existing structures affixed to the land if the improvements result in an increased valuation of forty percent or less of the current valuation."

Moved by: Grove
Second by: Blanc
Action: Prevailed by voice vote

SB 191 : limit annual valuation increases on owner-occupied single-family dwellings.

Presented by: Senator Amber Hulse

Proponents: Representative Jack R. Kolbeck
David Barker, Self, Iowa City, IA
Robert Paul, Self, Hot Springs
Tonchi Weaver, SD Citizens for Liberty, Rapid City
LeaAnne McWhorter, Self, Custer, South Dakota
Lisa Gennaro, Self, Keystone
Nicholas Prytherch, Self, Hermosa
Clark Verhulst, Self, Spearfish

Opponents: Wendy Semmler, Department of Revenue
Matthew M. Bogue, South Dakota Farm Bureau Federation, Huron
Nathan Sanderson, South Dakota Retailers Association, Pierre
Michael Houdyshell, Department of Revenue
Cori Kaufmann, Self, Madison

MOTION: DO PASS SB 191 AS AMENDED

Moved by: Davis
Second by: Crabtree
Action: Prevailed by Majority Members Elect (6-0-1-0)

Voting Yes: Crabtree, Grove, Blanc, Davis, Hulse, and Kolbeck (Steve)

Excused: Hohn

SB 121 : reduce maximum values for certain property taxes levied on owner-occupied single-family dwellings, and to increase the rates for certain gross receipts taxes and use taxes.

MOTION: AMEND SB 121

121C

- On page 1, line 6, of the Introduced bill, delete " 24" and insert " 22"
- On page 1, line 7, of the Introduced bill, delete " a" and insert " the reduction of the"
- On page 1, line 7, of the Introduced bill, after "levy" delete " of zero being"
- On page 1, line 8, of the Introduced bill, after "dwellings" insert " under section 2 of this Act"
- On page 1, line 8, of the Introduced bill, after "funds" delete " and school district special education funds"
- On page 1, line 9, of the Introduced bill, delete " these levies" and insert " the reduction of the mill levy under section 2 of this Act"
- On page 1, line 10, of the Introduced bill, delete " do" and insert " does"
- On page 1, line 10, of the Introduced bill, delete " do" and insert " does"
- On page 1, line 12, of the Introduced bill, delete " formulas" and insert " formula"
- On page 1, line 12, of the Introduced bill, after "funds" delete " and special education funds"
- On page 2, line 3, of the Introduced bill, delete " zero dollars" and insert " one dollar"
- On page 2, line 16, of the Introduced bill, delete " five" and insert " four and one-half"
- On page 5, line 20, of the Introduced bill, delete " five" and insert " four and one-half"

On page 7, line 16, of the Introduced bill, delete " five" and insert " four and one-half"

On page 7, line 24, of the Introduced bill, delete " five" and insert " four and one-half"

On page 7, line 27, of the Introduced bill, after "10-45." delete "Section 19. That § 13-37-16 be AMENDED:

"

On page 7, line 28, of the Introduced bill, after "AMENDED:" delete "13-37-16. "

On page 7, line 28, of the Introduced bill, after "13-37-16. " delete "For taxes payable in 2025 2026, and each year thereafter, the school board shall levy no more than one dollar and forty-eight and eight-tenths cents per thousand dollars of taxable valuation of property classified for purposes of taxation as agricultural property or nonagricultural property, as a special levy in addition to all other levies authorized by law for the amount so determined to be necessary, and the levy must be spread against all of the taxable property of the district not classified as owner-occupied single-family dwellings, as defined in § 10-13-39. The proceeds derived from the levy constitute a school district special education fund of the district for the payment of costs for the special education of all children in need of special education or special education and related services, who reside within the district, pursuant to the provisions of §§ 13-37-8. 4 to 13-37-8. 10, inclusive.

The levy in this section is based on valuations where the median level of assessment represents eighty-five percent of market value, as determined by the Department of Revenue. The total amount of taxes that would be generated at the levy pursuant to this section is considered local effort. Money in the special education fund may be expended for the purchase or lease of any assistive technology that is directly related to special education and specified in a student's individualized education plan. This section does not apply to real property improvements."

On page 8, line 16, of the Introduced bill, after "improvements." delete "Section 20. That § 13-37-35. 1 be AMENDED:

"

On page 8, line 17, of the Introduced bill, after "AMENDED:" delete "13-37-35. 1. "

On page 8, line 17, of the Introduced bill, after "13-37-35.1. " delete "Terms used in chapter 13-37 mean:

- (1) "Level one disability," a mild disability;
- (2) "Level two disability," cognitive disability or emotional disorder;
- (3) "Level three disability," hearing impairment, deafness, visual impairment, deaf-blindness, orthopedic impairment, or traumatic brain injury;
- (4) "Level four disability," autism;
- (5) "Level five disability," multiple disabilities;
- (5A) "Level six disability," prolonged assistance;
- (6) "Index factor," is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics of the United States Department of Labor for the year before the year immediately preceding the year of adjustment or three percent, whichever is less;
- (7) "Local effort," must be calculated for taxes payable in 2025 and thereafter using a special education levy of one dollar and twenty-eight and eight-tenths cents per one thousand dollars of taxable valuation of property classified for purposes of taxation as agricultural property or nonagricultural property;
- (8) "Allocation for a student with a level one disability," for the school fiscal year beginning July 1, 2024, is \$7,556. 00. For each school year thereafter, the allocation for a student with a level one disability must be the previous fiscal year's allocation for the child increased by the index factor;
- (9) "Allocation for a student with a level two disability," for the school fiscal year beginning July 1, 2024, is \$16,553. 00. For each school year thereafter, the allocation for a student with a level two disability must be the previous fiscal year's allocation for the child increased by the index factor;

- (10) "Allocation for a student with a level three disability," for the school fiscal year beginning July 1, 2024, is \$22,854. 00. For each school year thereafter, the allocation for a student with a level three disability must be the previous fiscal year's allocation for the child increased by the index factor;
- (11) "Allocation for a student with a level four disability," for the school fiscal year beginning July 1, 2024, is \$17,831. 00. For each school year thereafter, the allocation for a student with a level four disability must be the previous fiscal year's allocation for the child increased by the index factor;
- (12) "Allocation for a student with a level five disability," for the school fiscal year beginning July 1, 2024, is \$36,582. 00. For each school year thereafter, the allocation for a student with a level five disability must be the previous fiscal year's allocation for the child increased by the index factor;
- (12A) "Allocation for a student with a level six disability," for the school fiscal year beginning July 1, 2024, is \$11,692. 00. For each school year thereafter, the allocation for a student with a level six disability must be the previous fiscal year's allocation for the child increased by the index factor;
- (13) "Child count," is the number of students in need of special education or special education and related services according to criteria set forth in rules promulgated pursuant to §§ 13-37-1. 1 and 13-37-46 submitted to the Department of Education;
- (14) "Fall enrollment," the number of kindergarten-through-twelfth-grade students enrolled in all schools operated by the school district on the last Friday of September of the previous school year minus the number of students for whom the district receives tuition, except any nonresident student who is in the care and custody of a state agency and is attending a public school and any student for whom tuition is being paid pursuant to § 13-28-42. 1, plus the number of students for whom the district pays tuition;
- (15) "Nonpublic school," a sectarian organization or entity accredited by the secretary of education for the purpose of instructing children of compulsory school age. This definition excludes any school that receives a majority of its revenues from public funds;
- (16) "Nonpublic fall enrollment," the number of children under age eighteen, who are approved for alternative instruction pursuant to § 13-27-3 on the last Friday of September of the previous school year plus:
- (a) For nonpublic schools located within the boundaries of a public school district with a fall enrollment of six hundred or more on the last Friday of September of the previous school year, the number of kindergarten-through-twelfth-grade students enrolled on the last Friday of September of the previous regular school year in all nonpublic schools located within the boundaries of the public school district;
- (b) For nonpublic schools located within the boundaries of a public school district with a fall enrollment of less than six hundred on the last Friday of September of the previous school year, the number of resident kindergarten-through-twelfth-grade students enrolled on the last Friday of September of the previous school year in all nonpublic schools located within this state;
- (17) "Special education fall enrollment," fall enrollment plus nonpublic fall enrollment;
- (18) "Local need," an amount to be determined as follows:
- (a) Multiply the special education fall enrollment by 0. 1062 and multiply the result by the allocation for a student with a level one disability;
- (b) Multiply the number of students having a level two disability as reported on the child count for the previous school fiscal year by the allocation for a student with a level two disability;
- (c) Multiply the number of students having a level three disability as reported on the child count for the previous school fiscal year by the allocation for a student with a level three disability;

(d) Multiply the number of students having a level four disability as reported on the child count for the previous school fiscal year by the allocation for a student with a level four disability;

(e) Multiply the number of students having a level five disability as reported on the child count for the previous school fiscal year by the allocation for a student with a level five disability;

(f) Multiply the number of students having a level six disability as reported on the child count for the previous school fiscal year by the allocation for a student with a level six disability;

(g) When calculating local need at the statewide level, include the amount set aside for extraordinary costs defined in § 13-37-40;

(h) When calculating local need at the statewide level, include the amount set aside for the South Dakota School for the Blind and Visually Impaired;

(i) Sum the results of subdivisions (18)(a) to (h), inclusive;

(19) "Effort factor," the school district's special education tax levy in dollars per thousand divided by \$1. 288. The maximum effort factor is 1. 0."

On page 12, line 9, of the Introduced bill, delete " five" and insert " four and one-half"

On page 12, line 19, of the Introduced bill, delete " 24" and insert " 22"

Moved by: Hulse
Second by: Crabtree
Action: Prevailed by voice vote

SB 121 : reduce maximum values for certain property taxes levied on owner-occupied single-family dwellings, and to increase the rates for certain gross receipts taxes and use taxes.

Presented by: Senator Randy Deibert
Proponents: Dan Klimisch, Self, Utica

MOTION: DO PASS SB 121 AS AMENDED

Moved by: Davis
Second by: Crabtree
Action: Failed by Majority Members Elect (2-4-1-0)

Voting Yes: Davis and Kolbeck (Steve)

Voting No: Crabtree, Grove, Blanc, and Hulse

Excused: Hohn

MOTION: DEFER SB 121 TO THE 41ST LEGISLATIVE DAY

Moved by: Grove
Second by: Hulse
Action: Prevailed by Majority Members Elect (4-2-1-0)

Voting Yes: Crabtree, Grove, Blanc, and Hulse

Voting No: Davis and Kolbeck (Steve)

Excused: Hohn

SB 169 : require that taxing districts hold a public hearing when increasing property tax revenues relative to the previous year.

MOTION: AMEND SB 169

169B

On page 1, line 1, of the Introduced bill, after "require" delete " that taxing districts hold"
 On page 1, line 1, delete " when increasing property tax revenues relative to the previous year" and insert " prior to a vote to impose an excess tax levy"
 On the Introduced bill, delete everything after the enacting clause and insert:
 "

Section 1. That a NEW SECTION be added to chapter 10-12:

At least ten days in advance of a vote to impose an excess tax levy pursuant to §§ 10-12-43 or 10-12-43.1, the board of the school district shall publish, in a newspaper of general circulation within the district, notice of its intent to impose an excess tax levy. The notice must include:

- (1) The maximum amount under consideration in excess of the limitations applicable to the school district;
- (2) The amount allowed to be imposed without an excess tax levy; and
- (3) The date, time, and location of the public hearing at which the board will vote to impose an excess tax levy.

If the board of the district maintains a website, the notice must be published on the website, at least ten days in advance of the public hearing.

The board of the school district shall, at the public hearing, provide taxpayers with an opportunity to comment on the excess tax levy.

Section 2. That a NEW SECTION be added to chapter 10-13:

At least ten days in advance of a vote to impose an excess tax levy pursuant to § 10-13-36, the governing body of a taxing district shall publish, in a newspaper of general circulation within the district, notice of its intent to impose an excess tax levy. The notice must include:

- (1) The maximum amount under consideration in excess of the limitations applicable to the taxing district;
- (2) The amount allowed to be imposed without an excess tax levy; and
- (3) The date, time, and location of the public hearing at which the governing body will vote to impose an excess tax levy.

If the governing body of the district maintains a website, the notice must be published on the website, at least ten days in advance of the public hearing.

The governing body of the district shall, at the public hearing, provide taxpayers with an opportunity to comment on the excess tax levy.

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Moved by: Crabtree
Second by: Grove
Action: Prevailed by voice vote

SB 169 : require that taxing districts hold a public hearing when increasing property tax revenues relative to the previous year.

Presented by: Senator Amber Hulse
Others: Nathan Sanderson, South Dakota Retailers Association, Pierre
Michael Houdyshell, Department of Revenue

MOTION: DO PASS SB 169 AS AMENDED

Moved by: Crabtree
Second by: Blanc
Action: Prevailed by Majority Members Elect (6-0-1-0)

Voting Yes: Crabtree, Grove, Blanc, Davis, Hulse, and Kolbeck (Steve)

Excused: Hohn

SB 207 : freeze property tax revenues and assessments for two years.

MOTION: TO TABLE SB 207

Moved by: Davis
Second by: Grove
Action: Prevailed by Majority Members Elect (6-0-1-0)

Voting Yes: Crabtree, Grove, Blanc, Davis, Hulse, and Kolbeck (Steve)

Excused: Hohn

MOTION: ADJOURN

Moved by: Davis
Second by: Hulse
Action: Prevailed by voice vote

Kelly Thompson, Committee Secretary

/s/ STEVE KOLBECK
Steve Kolbeck, Chair