

# State of South Dakota

## EIGHTY-NINTH SESSION LEGISLATIVE ASSEMBLY, 2014

933V0470

### SENATE BILL NO. 98

Introduced by: Senators Ewing, Frerichs, Kirkeby, Monroe, and Tieszen and Representatives Romkema, Bartling, Gosch, Hoffman, Johns, Magstadt, Olson (Betty), and Verchio

1 FOR AN ACT ENTITLED, An Act to allow certain municipalities to charge a higher  
2 occupational tax.

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

4 Section 1. That § 9-55-7 be amended to read as follows:

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

- 9 (1) A description of the boundaries of any proposed district;
- 10 (2) The time and place of a hearing to be held by the governing body to consider  
11 establishment of a district or districts;
- 12 (3) The proposed public facilities and improvements to be made or maintained within  
13 any such district; and
- 14 (4) The proposed or estimated costs for improvements, facilities and activities within any



1 district, and the method by which the revenue shall be raised. If a special assessment  
2 is proposed, the resolution also shall state the proposed method of assessment.

3 The notice of intent shall recite that the method of raising revenue shall be fair and  
4 equitable. In the use of a general occupation tax, the tax shall be based primarily on the square  
5 footage of the owner's and user's place of business or based on rooms rented by any lodging  
6 establishment to transient guests as defined in § 10-45-7. If the occupational tax is based on  
7 rooms rented by a lodging establishment, the tax shall be imposed on the transient guest and  
8 such tax may not exceed two dollars per occupied room per night, except in the case of a  
9 municipality that is authorized by chapter 42-7B to allow legal games of chance, such tax may  
10 not exceed three dollars per occupied room per night. However, no occupational tax may be  
11 imposed on any transient guest who has been offered a room by a lodging establishment on a  
12 complimentary basis and no fee or rent was charged for such room. In the use of a special  
13 assessment, the assessment shall be based upon the special benefit to the property within the  
14 district.