



2026 South Dakota Legislature

House Bill 1074

Introduced by: **Representative Novstrup**

1 **An Act to provide for compensation to counties for administering tax increment**
 2 **financing districts created by a municipality.**

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

4 **Section 1. That § 11-9-25 be AMENDED:**

5 **11-9-25.** ~~Positive~~ Except as provided in this section, positive tax increments of a
 6 district ~~shall~~ must be allocated to the ~~municipality~~ political subdivision that created the
 7 district for each year from the date when the district is created until the ~~municipality~~
 8 political subdivision has been reimbursed for expenditures ~~previously~~ made, has paid all
 9 monetary obligations, and has retired all outstanding tax increment bonds. ~~However, in~~
 10 ~~no event may the~~ The positive tax increments may not be allocated longer than twenty
 11 years after the calendar year of the district's creation.

12 A county may withhold, from positive tax increments of a district created by a
 13 municipality, an amount no greater than the cost incurred by the county in administering
 14 the district.

15 **Section 2. That § 11-9-31 be AMENDED:**

16 **11-9-31.** The county treasurer or municipal finance officer, as applicable, shall
 17 deposit all remaining tax increments received in a district into a special fund for the
 18 district, after deducting an amount equal to the cost incurred by the county in
 19 administering the district.

20 The county treasurer or municipal finance officer, as applicable, may deposit
 21 additional moneys into the fund pursuant to an appropriation by the governing body.
 22 Subject to any agreement with bondholders, moneys in the fund may be temporarily
 23 invested in the same manner as other funds of the political subdivision.