



2026 South Dakota Legislature

House Bill 1089

Introduced by: **Representative** Fitzgerald

1 **An Act to modify the distributions of revenues collected from severance taxation on**
 2 **new permits.**

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

4 **Section 1. That § 10-39-54 be AMENDED:**

5 **10-39-54.** All taxes, interest and penalties imposed and collected by the secretary
 6 of revenue under this chapter ~~shall~~ must be distributed as follows:

7 (1) For persons severing precious metals that were in business in the state prior to
 8 January 1, 1981, all revenues collected ~~shall~~ must be deposited in the state
 9 treasury and credited to the general fund;

10 (2) For persons permitted on or after January 1, 1981, but before July 1, 2026, for the
 11 purpose of severing precious metals, eighty percent of the revenues collected ~~shall~~
 12 must be deposited in the state treasury and credited to the general fund, while the
 13 remaining twenty percent ~~shall~~ must be remitted by the secretary of ~~revenue~~ the
 14 department to the treasurer of the county in which the precious metals were
 15 severed. When the county has received a total of one million dollars attributable to
 16 any person subject to the tax, all future revenues attributable to that person ~~shall~~
 17 must be deposited in the state treasury and credited to the general fund. No
 18 merger, consolidation or acquisition of a person subject to §§ 10-39-54 to 10-39-
 19 54.4, inclusive, by another such person ~~shall~~ limit, limits the share of revenue due
 20 to the county from the person ~~so acquired~~; and

21 (3) For persons permitted on or after July 1, 2026, for the purpose of severing precious
 22 metals, eighty percent of the revenues collected must be deposited in the state
 23 treasury and credited to the general fund, while the remaining twenty percent must
 24 be remitted by the secretary of the department to the treasurer of the county in
 25 which the precious metals were severed. No merger, consolidation or acquisition

1 of a person subject to §§ 10-39-54 to 10-39-54.4, inclusive, by another such
2 person limits the share of revenue due to the county from the person.

3 ~~However, any~~ Any revenues attributed to the severance of precious metals from
4 lands owned or controlled by ~~the State of South Dakota shall~~ this state must be deposited
5 in the common school permanent fund.

6 **Section 2. That § 10-39-54.1 be AMENDED:**

7 **10-39-54.1.** The secretary of ~~revenue~~ the department shall transfer, by the end
8 of the calendar month ~~next succeeding~~ following each reporting period, the revenue
9 payable to a county pursuant to ~~subdivision~~ § subdivisions 10-39-54(2) and (3).