



## 2026 South Dakota Legislature

# Senate Bill 225

Introduced by: **Senator Lapka**

1 **An Act to apportion interest earnings from the unclaimed property trust fund to**  
 2 **school districts.**

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

4 **Section 1. That § 13-13-1 be AMENDED:**

5 **13-13-1.** The commissioner of school and public lands, after any adjustments that  
 6 have been made pursuant to § 5-10-18.3, shall apportion the school funds as follows:~~the;~~

7 (1) ~~The~~ commissioner shall ascertain from the division of education the total number  
 8 of resident ~~pupils~~ students in average daily membership, as defined in § 13-13-  
 9 1.1, in each school district and the total number of ~~pupils~~ students in average daily  
 10 membership in all school districts, and on that basis of the school population, ~~the;~~  
 11 and

12 (2) ~~The~~ commissioner shall apportion to each school district, pro rata, such share, as  
 13 its population of resident ~~pupils~~ students in average daily membership in the school  
 14 district bears to the total number of ~~pupils~~ students in average daily membership  
 15 in all school districts.

16 The funds to be apportioned include funds derived from the lease of school lands, the  
 17 lease of public lands not apportioned to any educational, penal, or charitable institution,  
 18 the interest, dividends, and other income on invested funds derived from the sale of school  
 19 lands and public lands not apportioned to any ~~such institution~~ of these institutions, and  
 20 the interest, dividends, and other income on invested funds derived from the five percent  
 21 paid by the United States on the sale of public lands within the state, and the distribution  
 22 amount from the unclaimed property trust fund, pursuant to § 43-41B-24.5.

23 **Section 2. That § 43-41B-24.4 be AMENDED:**

1           **43-41B-24.4.** There is created in the state treasury the trust fund for unclaimed  
 2 property. The fund consists of any net receipts from unclaimed property that exceed the  
 3 maximum deposit requirements of § 43-41B-24.3.

4           The state treasurer shall administer the fund. The purpose of the fund is to provide  
 5 for the return of unclaimed property, provide for the payment of audit expenses, and  
 6 deposit ~~into the general fund~~ the distribution amount, in accordance with § 43-41B-24.5.  
 7 Distribution amounts from the fund must be budgeted through the general appropriation  
 8 bill, as provided for in § 43-41B-24.5, or expended by special appropriation. Moneys  
 9 comprising the principal amount in the trust fund for unclaimed property may not be  
 10 appropriated by the general appropriation bill or by special appropriation.

11 **Section 3. That § 43-41B-24.5 be AMENDED:**

12           **43-41B-24.5.** Beginning in fiscal year 2026 and each fiscal year thereafter, the  
 13 state treasurer shall, after paying from the unclaimed property operating fund all claims  
 14 and any administrative costs associated with the sale of unclaimed property, deposit into  
 15 the general fund the net receipts from unclaimed property, up to the general fund  
 16 contribution limit, as established in § 43-41B-24.3.

17           Any net receipts from unclaimed property that exceed the general fund contribution  
 18 limit as defined in § 43-41B-24.3, must be deposited into the trust fund for unclaimed  
 19 property.

20           The state investment officer shall calculate an amount equal to four percent of the  
 21 market value of the trust fund for unclaimed property, without invading principal, as  
 22 eligible for distribution to the ~~general fund~~ commissioner of school and public lands for  
 23 apportionment pursuant to § 13-13-1. Until fiscal year 2031, the distribution must be  
 24 based on the market value as of each December thirty-first, beginning with the market  
 25 value as of December 31, 2025. Beginning with the distribution in fiscal year 2031, the  
 26 market value must be determined by adding the market value of the trust fund at the end  
 27 of the sixteen most recent calendar quarters as of December thirty-first, and dividing the  
 28 sum by sixteen. Upon notice of the amount by the state investment officer, the state  
 29 treasurer shall transfer the distribution amount from the trust fund to the ~~general fund~~  
 30 commissioner of school and public lands, as soon as practicable after July first of the next  
 31 fiscal year.