



2026 South Dakota Legislature

Senate Bill 229

Introduced by: **Senator Nelson**

1 **An Act to require an election to approve the issuance of capital outlay certificates.**

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

3 **Section 1. That § 13-16-6.2 be AMENDED:**

4 **13-16-6.2.** ~~The school~~ board of any school district may issue capital outlay
5 certificates to acquire or construct real property, plant, or equipment. All capital outlay
6 certificates ~~shall~~ must be authorized, issued, and sold in accordance with the provisions
7 of chapter 6-8B. ~~However, no election other than as provided in §§ 13-16-6.3 and 13-16-~~
8 ~~6.4 may be held, and the,~~ except as otherwise provided in § 13-16-6.4. The certificates
9 may not have a maturity date in excess of twenty years from the date of issuance.

10 **Section 2. That § 13-16-6.3 be AMENDED:**

11 **13-16-6.3.** ~~Any~~ A proposed installment purchase contract, or lease-purchase, ~~or~~
12 ~~issue of capital outlay certificates~~ authorized pursuant to § 13-16-6 ~~or 13-16-6.2~~ which
13 will obligate the school district for future payments on the principal, the total of which will
14 exceed ~~one and one-half percent of the taxable valuation of taxable property within the~~
15 ~~district~~ fifty thousand dollars, may not be entered into, ~~or certificates issued,~~ unless prior
16 thereto the school board conducts a public hearing thereon after having given notice by
17 publication at least twice in its official newspaper at least ten days before the hearing.
18 Upon the approval of the board during the hearing, ~~the board may approve the action or~~
19 ~~may shall~~ refer the matter to the voters of the district.

20 Capital outlay certificates authorized pursuant to § 13-16-6 or 13-16-6.2 may not
21 be issued unless prior thereto the school board conducts a public hearing after having
22 given notice by publication at least twice in its official newspaper at least ten days before
23 the hearing. Upon the approval of the board during the hearing, the board shall refer the
24 matter to the voters of the district.

1 **Section 3. That § 13-16-6.4 be AMENDED:**

2 **13-16-6.4.** Approval to enter into an agreement ~~or issue capital outlay certificates~~
3 pursuant to § 13-16-6.3 is subject to a referendum if five percent of the registered voters,
4 based upon the total number of registered voters at the last preceding general election,
5 petition, within twenty days thereafter, to have the question of approval to enter into the
6 agreement or issue capital outlay certificates placed upon the ballot ~~at a~~. The board of a
7 school district may issue capital outlay certificates pursuant to §§ 13-16-6.2 and 13-16-
8 6.3 only if the question of issuing the capital outlay certificates is approved by the voters
9 of the district. A special election called for that purpose and the purposes provided in this
10 section must be held on:

- 11 (1) The first Tuesday after the first Monday in March;
12 (2) The first Tuesday after the first Monday in June; or
13 (3) The first Tuesday after the first Monday in November.

14 If the bond election is held on a date listed in subdivision (2) or (3) in an even-
15 numbered year, the election must be held in conjunction with the regular primary or
16 general election, respectively. When the election is held in conjunction with the primary
17 or general election, the expenses and governmental responsibilities of a combined election
18 must be shared in a manner agreed upon by the board of the school district and the boards
19 of county commissioners involved.

20 The business manager shall give notice that the question is to be on the ballot at
21 the regular or special election, as provided by law for school elections, and prepare official
22 ballots therefor according to the provisions of this title. Approval of the question to enter
23 into an agreement or issue capital outlay certificates requires an affirmative vote of at
24 least sixty percent of those voting on the question.

25 If the question submitted to the voters at an election is not approved by the voters,
26 the school board may, by resolution, place the question on the ballot at the next available
27 election provided by this section.