



## 2026 South Dakota Legislature

**Senate Bill 229**

SENATE EDUCATION ENGROSSED

Introduced by: **Senator Nelson**

1 **An Act to require an election to approve the issuance of certain capital outlay**  
 2 **certificates, lease-purchase contracts, or installment purchase contracts.**

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

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

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

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

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

21 A proposed installment purchase contract, lease-purchase, or issuance of outlay  
 22 certificates authorized pursuant to § 13-16-6 or 13-16-6.2, which obligate the district to  
 23 future payments, or with a maturity date, in excess of ten years, may not be issued or  
 24 entered into unless the board refers the matter to the voters of the district.

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

2 **13-16-6.4.** ~~Approval~~ Except as otherwise provided in this section, approval to  
3 enter into an agreement or issue capital outlay certificates pursuant to § 13-16-6.3 is  
4 subject to a referendum if five percent of the registered voters, based upon the total  
5 number of registered voters at the last preceding general election, petition, within twenty  
6 days thereafter, to have the question of approval to enter into the agreement or issue  
7 capital outlay certificates placed upon the ballot ~~at a~~. The board of a school district may  
8 issue capital outlay certificates pursuant to §§ 13-16-6.2 and 13-16-6.3, with a maturity  
9 date in excess of ten years from the date of issuance, only if the question of issuing the  
10 capital outlay certificates is approved by the voters of the district.

11 A special election called for that purpose and the purposes provided in this section  
12 must be held on:

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

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

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

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