



2026 South Dakota Legislature  
**House Bill 1130**  
**ENROLLED**

AN ACT

**ENTITLED An Act to amend permissible uses of a school district's capital outlay fund.**

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

**Section 1. That § 13-16-6 be AMENDED:**

**13-16-6.** The board of a school district may expend moneys from the capital outlay fund for:

- (1) Any expenditures that are required as the result of the acquisition or lease of or additions to real property, plant, or equipment;
- (2) Land, existing facilities, improvement of grounds, construction of facilities, or additions to or remodeling of existing facilities;
- (3) Any installment or lease-purchase payments made to purchase any real property, plant, or equipment that has a contracted terminal date not exceeding twenty years from the date of the installment contract or lease-purchase;
- (4) The payment of:
  - (a) The principal of and interest on capital outlay certificates issued pursuant to § 13-16-6.2;
  - (b) Any premium for a property insurance policy held by the school district;
  - (c) Up to fifteen percent of the amount of a transportation contract, if a school district contracts for student transportation; or
  - (d) Up to fifteen percent of the amount required to reimburse mileage costs, if a school district reimburses for mileage, pursuant to § 13-30-3, in lieu of providing transportation;
- (5) The purchase of:
  - (a) Warranties on capital assets, provided that the warranties do not include or require supplies; or
  - (b) Textbooks;
- (6) The purchase or renewal of instructional software; or

(7) The purchase or lease of equipment.

Any purchase that does not exceed one thousand dollars may be paid out of the general fund. The total accumulated unpaid principal balances of an installment contract and lease-purchase, and the outstanding principal amounts of any capital outlay certificates, may not exceed three percent of the taxable valuation. The school district shall provide a sufficient levy each year under the provisions of § 13-16-7 to meet the annual installment contract, lease-purchase, and capital outlay certificate payments, including interest.

The board of a school district may transfer from its capital outlay fund to its general fund an amount not to exceed forty-five percent of the total tax revenues deposited in that fund during the current school fiscal year.

An Act to amend permissible uses of a school district's capital outlay fund.

\_\_\_\_\_  
I certify that the attached Act originated in  
the:  
House as Bill No. 1130

\_\_\_\_\_  
Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_,  
2026 at \_\_\_\_\_ M.

\_\_\_\_\_  
Chief Clerk of the House

By \_\_\_\_\_  
for the Governor

\_\_\_\_\_  
Speaker of the House

The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 2026

Attest:

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Governor

**STATE OF SOUTH DAKOTA,**

ss.

Office of the Secretary of State

\_\_\_\_\_  
President of the Senate

Attest:

Filed \_\_\_\_\_, 2026  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Secretary of State

House Bill No. 1130  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

By \_\_\_\_\_  
Asst. Secretary of State