

State of South Dakota

NINETY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2019

534B0669

HOUSE ENGROSSED NO. **HB 1128** - 2/12/2019

Introduced by: Representatives Brunner and Chaffee and Senator Cammack

1 FOR AN ACT ENTITLED, An Act to revise provisions regarding the maximum term of
2 promissory notes issued to municipalities.

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

4 Section 1. That § 9-25-12 be amended to read:

5 9-25-12. A municipality may borrow money from any source willing to lend the money by
6 issuing a promissory note subject to the limitations set in §§ 9-25-13 to 9-25-16, inclusive.
7 Notes issued pursuant to this section are payable solely from the sources provided in § 9-25-13
8 and do not constitute an indebtedness of the municipality within the meaning of any
9 constitutional or statutory provisions or limitations, any provisions in the notes set forth or set
10 forth in the resolution authorizing the notes to the contrary notwithstanding. The notes shall
11 recite the authority under which the notes are issued and shall state that the notes are issued in
12 conformity with the provisions, restrictions, and limitations of §§ 9-25-13 to 9-25-16, inclusive,
13 and that the notes and the interest thereon are payable from the sources ~~therein~~ provided. The
14 notes shall be authorized, issued, and sold in accordance with chapter 6-8B. No election is
15 required and the notes may not be issued for a term in excess of five years. However, ~~notes a~~



1 note issued for ~~loans~~ any loan authorized by the United States Department of Agriculture may
2 be issued for a term of not more than ten years and an unsecured promissory note under the
3 municipal debt limit may be issued for a term of not more than twenty years.