



2020 South Dakota Legislature

Senate Bill 94

Introduced by: **Senator Brock Greenfield**

1 **An Act to revise provisions for taxes levied by the board of a school district for the**
 2 **capital outlay fund.**

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

4 **Section 1.** That § 13-16-7 be AMENDED:

5 **13-16-7. Additional Tax Levy--Pledge of Taxes--Limitations.**

6 The school board of ~~any a~~ school district of this state may at the board's discretion
 7 authorize ~~an the~~ annual levy of a tax not to exceed three dollars per thousand dollars of
 8 ~~taxable valuation~~ on the taxable valuation of the district for the capital outlay fund, for
 9 assets, as defined by § 13-16-6, or for the district's obligations under a resolution, lease-
 10 purchase agreement, capital outlay certificate, or other arrangement with the Health and
 11 Educational Facilities Authority.

12 Taxes collected pursuant to the levy may be irrevocably pledged by the school
 13 board to the payment of principal ~~of~~ and interest on installment purchase contracts or
 14 capital outlay certificates entered into or issued pursuant to § 13-16-6 or ~~§~~ 13-16-6.2, or
 15 lease-purchase agreements, or other ~~arrangement~~ arrangements with the Health and
 16 Educational Facilities Authority and, so long as any capital outlay certificates are
 17 outstanding, or installment agreement payments, lease-purchase agreements, or other
 18 arrangements are unpaid, the school board of ~~any a~~ a school district may be compelled, by
 19 mandamus or other appropriate remedy, to levy an annual tax sufficient to pay the
 20 principal and interest thereon, but not to exceed the three dollars per thousand dollars of
 21 taxable valuation in any year authorized to be levied hereby.

22 ~~The~~ Except as otherwise provided in this section, the total amount of revenue payable
 23 from the levy ~~provided in this section~~ may not increase annually by more than the lesser
 24 of three percent or the index factor, as defined in § 10-13-38, over the maximum amount
 25 of revenue that could have been generated from the taxes payable pursuant to this section
 26 ~~in 2016~~ 2020.

1 ~~After applying the index factor, a school district~~ A board may increase the revenue
 2 payable from taxes on real property above the ~~limitations~~ limitation provided for by this
 3 section, by the percentage increase of value resulting from any improvements or change
 4 in the use of real property, annexation, minor boundary changes, and any adjustments in
 5 taxation of real property separately classified and subject to statutory adjustments and
 6 reductions under chapters 10-4, 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if
 7 assessed the same as property of equal value.

8 ~~A school district board~~ may increase the revenue that the district receives from taxes
 9 on real property above the ~~limit~~ limitation provided by for in this section for taxes levied
 10 to pay the principal, interest, and redemption charges on any bonds issued after January
 11 1, 2009, which are subject to a referendum, scheduled payment increases on bonds, and
 12 for a levy directed by the order of a court for the purpose of paying a judgment against
 13 the ~~school~~ district.

14 Any school district created or reorganized after January 1, 2016, is exempt from the
 15 limitation provided by this section for a period of two years immediately following the
 16 district's creation or reorganization.

17 In no year may the ~~annual tax~~ levy provided in this section exceed three dollars per
 18 thousand dollars of taxable valuation or be less than two dollars and seventy-five cents
 19 per thousand dollars of taxable valuation of the ~~school~~ district for the current year.

20 **Section 2.** That § 13-16-7.2 be AMENDED:

21 **13-16-7.2. Maximum Taxes--Pledge of Taxes.**

22 Starting with taxes payable in 2021, a school district is limited to the lesser of:

- 23 (1) The maximum taxes allowed pursuant to § 13-16-7; ~~or two~~
 24 (2) Three thousand eight hundred dollars for each enrolled student, as determined ~~in~~
 25 by the fall enrollment count set forth in § 13-13-10.1 for the prior school year,
 26 ~~whichever is less.~~

27 For 2022 and subsequent years, the maximum amount for each enrolled student
 28 ~~shall~~ must increase by the lesser of three percent or the index factor, as defined in § 10-
 29 13-38.

30 If ~~a school district board~~ has irrevocably pledged taxes collected to the payment of
 31 principal and interest on installment purchase contracts or capital outlay certificates
 32 entered into or issued pursuant to § 13-16-6 or 13-16-6.2, or to lease-purchase
 33 agreements or other arrangements with the Health and Educational Facilities Authority
 34 prior to July 1, 2016, that ~~school district board~~ may raise taxes allowed pursuant to § 13-

1 16-7 and this section in an amount necessary to fund those payments and obligations and
2 to provide additional funding of up to ~~two~~ three thousand eight hundred dollars for each
3 enrolled student, as determined in the fall enrollment count set forth in § 13-13-10.1. In
4 no year may the annual tax levy provided in this section exceed the levy authorized under
5 § 13-16-7.

6 **Section 3.** That a NEW SECTION be added:

7 **13-16-7.3. Maximum--Annual Tax Levy.**

8 Notwithstanding § 13-16-7, the board of a school district may levy an amount up
9 to thirty-seven percent of the maximum per student amount pursuant to § 13-16-7.2,
10 provided the maximum annual tax levy authorized by this section may not exceed three
11 dollars per thousand dollars of taxable valuation of the district for the current year.