



2020 South Dakota Legislature

House Bill 1198

Introduced by: **Representative Gosch**

1 **An Act to to repeal provisions regarding maximum taxes levied by the board of a**
 2 **school district for the 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 for certain funds or obligations--Pledge of**
 6 **taxes--Limitations.**

7 The school-board of ~~any a~~ school district of this state may at the board's discretion
 8 authorize ~~an the~~ annual levy of a tax not to exceed three dollars per thousand dollars of
 9 taxable valuation on the taxable valuation of the district for the capital outlay fund for
 10 assets, as defined by § 13-16-6, or for the district's obligations under a resolution, lease-
 11 purchase agreement, capital outlay certificate, or other arrangement with the Health and
 12 Educational Facilities Authority. Taxes collected pursuant to the levy may be irrevocably
 13 pledged by the school-board to the payment of principal ~~of~~ and interest on installment
 14 purchase contracts or capital outlay certificates entered into or issued pursuant to § 13-
 15 16-6 or § 13-16-6.2, or lease-purchase agreements or other arrangement with the Health
 16 and 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~~ 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 total amount of revenue payable from the levy provided in this section may not~~
 23 ~~increase annually by more than the lesser of three percent or the index factor, as defined~~
 24 ~~in § 10-13-38, over the maximum amount of revenue that could have been generated~~
 25 ~~from the taxes payable in 2016. After applying the index factor, a school district may~~
 26 ~~increase the revenue payable from taxes on real property above the limitations provided~~

1 ~~by this section by the percentage increase of value resulting from any improvements or~~
2 ~~change in use of real property, annexation, minor boundary changes, and any adjustments~~
3 ~~in taxation of real property separately classified and subject to statutory adjustments and~~
4 ~~reductions under chapters 10-4, 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if~~
5 ~~assessed the same as property of equal value. A school district may increase the revenue~~
6 ~~the district receives from taxes on real property above the limit provided by this section~~
7 ~~for taxes levied to pay the principal, interest, and redemption charges on any bonds issued~~
8 ~~after January 1, 2009, which are subject to referendum, scheduled payment increases on~~
9 ~~bonds and for a levy directed by the order of a court for the purpose of paying a judgment~~
10 ~~against the school district. Any school district created or reorganized after January 1,~~
11 ~~2016, is exempt from the limitation provided by this section for a period of two years~~
12 ~~immediately following the district's creation.~~

13 ~~In no year may the annual tax levy provided in this section exceed three dollars per~~
14 ~~thousand dollars of taxable valuation of the school district for the current year.~~

15 **Section 2.** That § 13-16-7.2 be REPEALED.

16 **13-16-7.2. Maximum taxes--Pledge of taxes.**