



## 2020 South Dakota Legislature

# Senate Bill 174

Introduced by: **Senator** Steinhauer

1 **An Act to revise the purposes for which a school district's capital outlay fund may**  
 2 **be used.**

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

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

5 **13-16-6. Capital outlay fund--Definition--Uses--Levy.**

6 The capital outlay fund of the school district is a fund provided by law to meet  
 7 expenditures which result in the acquisition or lease of or additions to real property, plant,  
 8 or equipment. Such an expenditure shall be for land, existing facilities, improvement of  
 9 grounds, construction of facilities, additions to facilities, remodeling of facilities, or for the  
 10 purchase or lease of equipment. It may also be used for installment or lease-purchase  
 11 payments for the purchase of real property, plant, or equipment, which have a contracted  
 12 terminal date not exceeding twenty years from the date of the installment contract or  
 13 lease-purchase and for the payment of the principal of and interest on capital outlay  
 14 certificates issued pursuant to § 13-16-6.2.

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

21 A school district which contracts its student transportation may expend from the capital  
 22 outlay fund an amount not to exceed fifteen percent of the contract amount. In addition,  
 23 a school district which reimburses for mileage instead of providing transportation pursuant  
 24 to § 13-30-3, may use the capital outlay fund to pay for fifteen percent of its mileage  
 25 reimbursement costs.

1           The capital outlay fund may be used to purchase textbooks and to purchase or renew  
2 instructional software.

3           The capital outlay fund may be used to purchase warranties on capital assets if the  
4 warranties do not include supplies.

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