

2020 South Dakota Legislature

Senate Bill 83**AMENDMENT 83E FOR THE SENATE COMMERCE AND
ENERGY BILL**

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

1 **An Act to ~~establish meetings to review certain electric systems~~ revise provisions**
2 **regarding electric service in annexed areas.**

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

4 **Section 1.** That a NEW SECTION be added:

5 **49-34A-49.1. Municipal electric utility--Annexation or extension--Meeting.**

6 Before a municipality that operates an electric utility may adopt a resolution to
7 annex or accept a petition to extend its boundaries to include contiguous territory,
8 representatives of the municipal utility shall request to meet in person with
9 representatives of any affected electric utility to discuss and plan for the provision of
10 electric service to the affected customers. The meeting must include one person from the
11 municipality's governing board or commission in addition to representatives from the
12 municipal electric utility and other affected electric utilities. Failure of an electric utility
13 affected to meet within thirty days of a written request to meet is a waiver of the meeting
14 requirement.

15 **Section 2.** That a NEW SECTION be added:

16 **49-34A-49.2. Petition to annex--First reading--Notice.**

17 Notwithstanding any other provision of law, written notice of first reading of the
18 petition to annex property that is within the service territory of an electric utility that is
19 not a municipal utility, shall be given to any affected electric utility twenty days prior to
20 the first reading. Written notice of the election of the municipal utility to serve the annexed
21 property with electricity shall be given within one year following annexation.

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

1 **49-34A-49.3. Election to serve by resolution.**

2 Notwithstanding any other provision of law, if a municipality that owns and
3 operates an electric utility elects to serve all or a portion of newly annexed property with
4 electricity pursuant to § 49-34A-49, the election shall be by separate resolution of the
5 municipality's governing body. Written notice of the meeting at which action will be taken
6 on the election to serve shall be given to any affected utility no less than twenty days
7 before the meeting.

8 **Section 4.** That § 49-34A-50 be AMENDED:

9 **49-34A-50. Purchase price for electric facilities in area annexed by**
10 **municipality.**

11 If a municipality described by § 49-34A-49 elects to purchase, the municipality
12 shall, within one year following annexation, offer to purchase the electric distribution
13 properties of the utility located within the annexed area, together with all of the utility's
14 rights to serve within such area, for a cash consideration which shall consist of the present-
15 day reproduction cost, new, of the facilities being acquired, less depreciation computed
16 on a straight-line basis; plus an amount equal to the cost on a nonbetterment basis of
17 constructing any necessary facilities to reintegrate the system of the utility outside the
18 annexed area after detaching the portion to be sold; plus as compensation for service
19 rights, an annual amount, payable each year for a period of eleven years, equal to the
20 sum of twenty-five percent of the gross revenues received from power sales to ~~consumers~~
21 each consumer of electric power within the annexed area. The obligation of the annexing
22 municipality to compensate the utility for service rights shall continue for eleven years
23 from the date of the offer to purchase by each consumer receives electric service from the
24 municipal electric utility of the annexing municipality. ~~During the eleven-year period,~~
25 ~~compensation for service rights to any one customer location within the annexed area~~
26 ~~shall be paid by the annexing municipality for a period of seven years or until the~~
27 ~~expiration of the eleven-year period, whichever is less.~~ Gross revenues received shall be
28 determined by applying the rate in effect by the municipality at the time of purchase.

29 **Section 5.** That § 49-34A-53.1 be REPEALED.

30 **49-34A-53.1. Purchase of facilities in territory annexed after July 1, 1975--**
31 **Time limit--Determination of gross revenue.**