State of South Dakota

EIGHTY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2009

749Q0123

HOUSE ENGROSSED NO. SB 91 - 3/4/2009

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

Introduced by: Senators Olson (Russell), Abdallah, Adelstein, Ahlers, Bradford, Brown, Garnos, Gray, Hansen (Tom), Howie, Hundstad, Hunhoff (Jean), Kloucek, Maher, and Schmidt and Representatives Vanneman, Bolin, Boomgarden, Carson, Cronin, Curd, Cutler, Faehn, Fargen, Greenfield, Hamiel, Juhnke, Kirschman, Krebs, Lust, Noem, Putnam, Rausch, Rave, Romkema, Rounds, Russell, Schlekeway, Street, and Tidemann

FOR AN ACT ENTITLED, An Act to allow any school district, for a period of three years, to expend capital outlay funds for certain transportation costs, for the purchase of property and casualty insurance, and for energy costs, and the cost of utilities.

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

Section 1. That § 13-16-6 be amended to read as follows:

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

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payment of the principal of and interest on capital outlay certificates issued pursuant to § 13-16-6.2.

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

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

The capital outlay fund may be used to purchase textbooks and instructional software.

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

<u>During the period of time beginning on July 1, 2009, and ending on June 30, 2012, any school district may make payments from its capital outlay fund for the purchase of property insurance and casualty insurance, for payments for energy costs and the cost of utilities, and for motor fuel or for any portion of a contract providing transportation to students or for any mileage reimbursements. However, the total amount that a school district expends from its capital outlay fund for these expenses may not exceed forty-five percent of the total tax revenues deposited in that fund during the current school fiscal year, and for any school district with a current tax levy for the capital outlay fund that is greater than its tax levy for the capital outlay fund in school fiscal year 2008, the total amount expended from the capital outlay fund for these</u>

expenses may not exceed forty-five percent of the total tax revenues that would have been deposited in that fund during the current school fiscal year if the tax levy for the capital outlay fund had not been increased since 2008.