

AN ACT

ENTITLED, An Act to revise certain provisions concerning compensation for service rights of electric utilities in areas annexed by municipalities.

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

Section 1. That § 49-34A-50 be amended to read as follows:

49-34A-50. If a municipality described by § 49-34A-49 elects to purchase, the municipality shall, within one year following annexation, offer to purchase the electric distribution properties of the utility located within the annexed area, together with all of the utility's rights to serve within such area, for a cash consideration which shall consist of the present-day reproduction cost, new, of the facilities being acquired, less depreciation computed on a straight-line basis; plus an amount equal to the cost on a nonbetterment basis of constructing any necessary facilities to reintegrate the system of the utility outside the annexed area after detaching the portion to be sold; plus as compensation for service rights, an annual amount equal to the sum of twenty-five percent of the gross revenues received from power sales to consumers of electric power within the annexed area. The obligation of the annexing municipality to compensate the utility for service rights shall continue for eleven years from the date of the offer to purchase by the annexing municipality. During the eleven-year period, compensation for service rights to any one customer location within the annexed area shall be paid by the annexing municipality for a period of seven years or until the expiration of the eleven-year period, whichever is less. Gross revenues received shall be determined by applying the rate in effect by the municipality at the time of purchase.

An Act to revise certain provisions concerning compensation for service rights of electric utilities in areas annexed by municipalities.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1263

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1263

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.

Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State