

2026 South Dakota Legislature

Senate Bill 7

AMENDMENT 7B
FOR THE INTRODUCED BILL

1 An Act to modify the tax rate ~~on~~ and tax distributions for gold severed in this state,
2 and to create a new fund for rural water infrastructure projects.

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

4 **Section 1. That § 10-39-43 be AMENDED:**

5 **10-39-43.** ~~For the privilege of severing precious metals in this state, there~~ There
6 is imposed on each person severing gold in this state, a severance tax of four dollars per
7 ounce of ~~one~~ one-half percent of the market value of gold severed by the person in this
8 state.

9 For purposes of this section, "market value" means the average London Bullion
10 Market Association price of gold, over the calendar quarter in which the gold was severed.

11 **Section 2. That § 10-39-54 be AMENDED:**

12 **10-39-54.** The tax revenue collected by the secretary of the department pursuant
13 to § 10-39-43 must be deposited into the general fund, up to a maximum amount of one
14 million dollars in each year. The tax revenue collected pursuant to § 10-39-43, in excess
15 of one million dollars a year, must be deposited into the rural water infrastructure fund
16 established under section 3 of this Act.

17 All ~~other~~ taxes, interest, and penalties imposed and collected by the secretary of
18 revenue under this chapter ~~shall~~ must be distributed as follows:

- 19 (1) For persons severing precious metals that were in business in the state prior to
20 January 1, 1981, all revenues collected ~~shall~~ must be deposited in the state
21 treasury and credited to the general fund;
- 22 (2) For persons permitted on or after January 1, 1981, for the purpose of severing
23 precious metals, eighty percent of the revenues collected ~~shall~~ must be deposited
24 in the state treasury and credited to the general fund, while the remaining twenty
25 percent ~~shall~~ must be remitted by the secretary of revenue to the treasurer of the

1 county in which the precious metals were severed. When the county has received
2 a total of ~~one million five hundred thousand~~ dollars ~~attributable to any person~~
3 ~~subject to the tax, all future in a year, the subsequent~~ revenues ~~attributable to~~
4 ~~that person shall~~ collected in that year must be deposited in the state treasury and
5 credited to the general fund. No merger, consolidation or acquisition of a person
6 subject to §§ 10-39-54 to 10-39-54.4, inclusive, by another such person shall limit
7 the share of revenue due to the county from the person so acquired.

8 ~~However, any~~ Any revenues attributed to the severance of precious metals from
9 lands owned or controlled by the State of South Dakota ~~shall~~ must be deposited in the
10 common school permanent fund.

11 **Section 3. That a NEW SECTION be added to chapter 10-39:**

12 There is created in the state treasury the rural water infrastructure fund. The fund
13 consists of the moneys designated for deposit in the fund pursuant to § 10-39-54.

14 The Department of Agriculture and Natural Resources shall administer the fund.
15 The purpose of the fund is to provide matching grants for rural water system infrastructure
16 projects in this state. Interest on moneys in the fund must remain in the fund.
17 Expenditures from the fund require a special appropriation.