

State of South Dakota

EIGHTIETH SESSION
LEGISLATIVE ASSEMBLY, 2005

400L0784

HOUSE BILL NO. 1262

Introduced by: The Committee on State Affairs at the request of the Governor

1 FOR AN ACT ENTITLED, An Act to provide a partial exemption to the assessment of certain
2 power generation facilities for property tax purposes.

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

4 Section 1. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Terms as used in this Act mean:

- 7 (1) "Commercial operation date," the first date that a power generation facility is
8 producing electricity on a continuous basis and is delivering electricity to customers;
- 9 (2) "Construction date," is the first date earth is excavated for the purpose of constructing
10 the power generation facility;
- 11 (3) "Construction period," the time period between the construction date and the
12 commercial operation date;
- 13 (4) "Nameplate capacity," the number of kilowatts a power generation facility can
14 produce, as assigned to the power unit by the manufacturer and determined by the
15 secretary;
- 16 (5) "Power generation facility," a facility with one power unit that generates electricity,



1 with a nameplate capacity of no less than five hundred megawatts;

2 (6) "Secretary," the secretary of the Department of Revenue and Regulation.

3 Section 2. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as
4 follows:

5 Any person, corporation, limited liability company, association, company, partnership,
6 political subdivision, municipality, rural electric cooperative, consumers power district, or any
7 group or combination acting as a unit, owning or holding under lease, or otherwise, real or
8 personal property used, or intended for use, as a power generation facility shall apply to the
9 secretary for the exemption provided for in section 3 of this Act, before beginning construction
10 of the power generation facility on forms prescribed by the secretary.

11 Section 3. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as
12 follows:

13 The full and true value of real and personal property used, or intended for use, as a power
14 generation facility is exempt from ad valorem taxation to the extent the value is in excess of the
15 amount of five hundred dollars multiplied by the nameplate capacity of the power generation
16 facility. This exemption shall be allocated proportionately based upon percentage ownership
17 of the power generation facility.

18 Section 4. That chapter 10-35 be amended by adding thereto a NEW SECTION to read as
19 follows:

20 During the construction period of a qualifying power generation facility, the exemption
21 provided in section 3 of this Act shall be as follows:

22 (1) For the first legal assessment date after the construction date of the power generation
23 facility, as provided in § 10-35-9, upon all value in excess of ten percent of the
24 amount provided in section 3 of this Act;

- 1 (2) For the second legal assessment date after the construction date of the power
2 generation facility, as provided in § 10-35-9, upon all value in excess of twenty
3 percent of the amount provided in section 3 of this Act; and
- 4 (3) For the third and subsequent legal assessment dates after the construction date of the
5 power generation facility, as provided in § 10-35-9, upon all value in excess of thirty
6 percent of the amount provided in section 3 of this Act.