

AN ACT

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

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

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

Terms as used in this Act mean:

- (1) "Commercial operation date," the first date that a power generation facility is producing electricity on a continuous basis and is delivering electricity to customers;
- (2) "Construction date," is the first date earth is excavated for the purpose of constructing the power generation facility;
- (3) "Construction period," the time period between the construction date and the commercial operation date;
- (4) "Nameplate capacity," the number of kilowatts a power generation facility can produce, as assigned to the power unit by the manufacturer and determined by the secretary;
- (5) "Power generation facility," a facility with one power unit that generates electricity, with a nameplate capacity of no less than five hundred megawatts;
- (6) "Secretary," the secretary of the Department of Revenue and Regulation.

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

Any person, corporation, limited liability company, association, company, partnership, political subdivision, municipality, rural electric cooperative, consumers power district, or any group or combination acting as a unit, owning or holding under lease, or otherwise, real or personal property used, or intended for use, as a power generation facility shall apply to the secretary for the exemption

provided for in section 3 of this Act, before beginning construction of the power generation facility on forms prescribed by the secretary.

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

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

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

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

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

An Act to provide a partial exemption to the assessment of certain power generation facilities for property tax purposes.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1262

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. 1262
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