

State of South Dakota

EIGHTY-SECOND SESSION LEGISLATIVE ASSEMBLY, 2007

609N0160

SENATE BILL NO. 177

Introduced by: Senators Katus, Hoerth, Jerstad, Kloucek, Koetzle, Maher, Napoli, Nesselhuf,
and Two Bulls and Representatives Van Norman, Bradford, Elliott, Feinstein,
Kirkeby, Lucas, and Thompson

1 FOR AN ACT ENTITLED, An Act to establish a commission to study tax reform and to
2 provide for its composition, scope, and administration.

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

4 Section 1. There is hereby established the Tax Reform Commission. The commission shall
5 consist of the following fifteen members:

6 (1) The speaker of the house of the House of Representative shall appoint four members
7 of the House of Representatives, no more than three of whom may be from one
8 political party;

9 (2) The president pro tempore of the Senate shall appoint four members of the Senate,
10 no more than three of whom may be from one political party;

11 (3) The Governor shall appoint five members of the general public, no more than three
12 of whom may be from one political party; and

13 (4) The Governor shall appoint two representing local government, no more than one of
14 whom may be from one political party.

15 The initial appointments shall be made no later than thirty days after the effective date of



1 this Act. If there is a vacancy on the commission, the vacancy shall be filled in the same manner
2 as the original appointment.

3 Section 2. The commission shall be under the supervision of the Executive Board of the
4 Legislative Research Council and staffed and funded as an interim legislative committee. The
5 Executive Board shall appoint the chair and the vice chair from among the legislators appointed
6 to the commission.

7 Section 3. The commission shall gather the data and information regarding the South Dakota
8 economy and the tax system employed by the state. The commission shall:

- 9 (1) Establish and prioritize long-term social-economic goals for the citizens of South
10 Dakota;
- 11 (2) Establish major South Dakota government program priorities based on the long-term
12 social-economic goals established by the commission. The commission shall set
13 benchmarks for the next four, eight, and sixteen years; and
- 14 (3) Invite state, regional, and national experts to recommend the most rational mix of
15 taxes to meet these long-term goals and benchmarks.

16 Based on these recommendations, the commission shall submit a report and
17 recommendation to the Governor and the Legislature no later than September 1, 2009. This
18 report may contain up to three recommended tax systems and prioritize the recommended
19 systems. The Governor may accept or reject any recommended system submitted by the
20 commission. The Governor may not alter the system selected. If the Governor accepts any of
21 the recommended systems for tax reform, the Governor and the Legislature shall introduce joint
22 resolutions to submit the tax reform system to a vote of the people for approval or disapproval
23 as a constitutional amendment.