

# State of South Dakota

## EIGHTY-SECOND SESSION LEGISLATIVE ASSEMBLY, 2007

384N0520

### HOUSE BILL NO. 1294

Introduced by: Representatives Faehn, Dykstra, Koistinen, Noem, and Wick and Senators Greenfield, Abdallah, Garnos, Jerstad, Koetzle, Napoli, Schmidt (Dennis), and Turbak

1 FOR AN ACT ENTITLED, An Act to establish criteria regarding the construction and sale of  
2 certain homes by a state agency or the South Dakota Housing Development Authority.

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

4 Section 1. Any program established by the South Dakota Housing Development Authority  
5 or any state agency for the primary purpose of selling homes made by prison industries shall  
6 meet the following conditions:

7 (1) The home to be constructed or sold does not exceed one thousand eight square feet;

8 (2) The home will be the only residence of the purchaser who is at least eighteen years  
9 of age. No purchaser may purchase more than one home under such program in the  
10 purchaser's lifetime. The purchaser shall place the home within the boundaries of  
11 South Dakota;

12 (3) The purchaser of the home has a household income that does not exceed:

13 (a) \$18,936, if the family consists of two or less members; and

14 (b) \$25,774, if the family consists of three or more members; and

15 (4) The purchaser of the home has a net worth that is less than:



- 1           (a)    Ninety thousand dollars, if the purchaser is under sixty-two years of age; and  
2           (b)    One hundred seventy-five thousand dollars, if the purchaser is sixty-two years  
3                   of age or older.

4           Section 2. For the purposes of this Act, the term, home, means any home sold or purchased  
5 under any program established and administered pursuant to section 1 of this Act.

6           Section 3. For the purposes of this Act, the term, household income, means household  
7 income as defined in 10-6A-1. However, if the purchaser is self-employed, the household  
8 income shall be calculated by adding back depreciation, business expense of home, and meal  
9 and entertainment expenses from the Schedule C and Schedule F forms of the purchaser's most  
10 recent Federal income tax return.

11          Section 4. No home may be sold within the first three years of ownership for a profit above  
12 the documented costs, unless the purchaser receives a written waiver from the authority or  
13 agency administering the program. If the purchaser of the home rents the home to any tenant  
14 within the first three years of ownership, the purchaser shall be assessed a penalty of five  
15 thousand dollars. However, the purchaser may apply for a waiver to rent the home from the  
16 authority or agency administering the program.

17          Section 5. This Act only applies to a home constructed by prison industries and sold by the  
18 South Dakota Housing Development Authority or any state agency for the purpose of its use as  
19 a single-family dwelling.