



2021 South Dakota Legislature

House Bill 1230

HOUSE TAXATION ENGROSSED

Introduced by: **Representative Dennert**

1 **An Act to establish a fund to assist counties with paying certain expenditures.**

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

3 **Section 1.** That § 10-1-44 be AMENDED.

4 **10-1-44. Establishment of sales and use tax collection fund.**

5 There shall be established within the state treasury the sales and use tax collection
6 fund for the purpose of administering the sales, use, municipal non-ad valorem, and
7 contractors' excise taxes. Charges for the administration and collection of taxes collected
8 pursuant to chapter 10-52 shall be deposited into the sales and use tax collection fund.
9 In addition, subject to the provisions of § 10-1-44.5, the secretary of the Department of
10 Revenue shall, on a monthly basis, deposit revenue collected as a result of taxes imposed
11 in chapters 10-45, 10-46, and 10-58 in the sales and use tax collection fund. The total
12 amount deposited in the sales and use tax collection fund may not exceed the amount
13 budgeted for such purposes. All money in the fund created by this section shall be
14 budgeted and expended in accordance with the provisions of Title 4 on warrants drawn by
15 the state auditor on vouchers approved by the secretary of the Department of Revenue.

16 At the end of each fiscal year any cash balance left in the sales and use tax collection
17 fund shall be transferred to the general fund.

18 **Section 2.** That a NEW SECTION be added:

19 **10-1-44.5. Establishment of county capital improvement fund--Purpose--**
20 **Deposit amount--Increase in deposit amount.**

21 There shall be established within the state treasury the county capital improvement
22 fund to assist a county with meeting expenditures for the purpose of repairing or improving
23 roads, or acquiring, constructing, renovating, or replacing a building or structure described
24 in §§ 7-25-1 and 7-25-3, or a facility designed to reduce jail incarceration.

1 The secretary of the Department of Revenue shall track and keep a written record
2 of the revenue collected within each county's jurisdictional boundary as a result of taxes
3 imposed in chapters 10-45 and 10-46. The secretary of the Department of Revenue shall,
4 on a monthly basis, deposit five hundredths of a percent of the revenue collected as a
5 result of taxes imposed in chapters 10-45 and 10-46 in the county capital improvement
6 fund. Beginning on July 1, 2022, and on each July first thereafter up to and including July
7 1, 2025, the monthly deposit amount shall be increased by an additional five hundredths
8 of a percent of the revenue collected.

9 A county, by a majority vote of its board of county commissioners, may make a
10 request with the Board of Economic Development to access moneys from the county
11 capital improvement fund for authorized purposes to the extent the moneys in the fund
12 are attributable to revenue collected within the county's jurisdictional boundary.

13 Any expenditures authorized from the county capital improvement fund shall be
14 paid on warrants drawn by the state auditor on vouchers approved by the commissioner
15 of the Governor's Office of Economic Development.