



2022 South Dakota Legislature
Senate Bill 203
ENROLLED

AN ACT

ENTITLED An Act to revise certain provisions regarding utility facilities and revenue bonds.

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

Section 1. That § 46A-9-56 be AMENDED:

46A-9-56. Any district organized pursuant to this chapter may borrow money and incur indebtedness for any corporate use or purpose authorized in this chapter and to the extent applicable pursuant to chapter 9-40, provided the indebtedness, liability, or obligation of the district for the payment of money in any manner, and whether arising from contract, implied contract, or otherwise, is payable solely:

- (1) From revenues, income, receipts, and profits derived by the district from its operation and management of systems and irrigation works as provided in this chapter or in chapter 9-40; or
- (2) From the issuance or sale by the district of its warrants, notes, revenue bonds, debentures, or other evidences of indebtedness, (hereinafter referred to in this section as "district obligations") payable solely from such revenues, income, receipts, and profits. All bonds shall be authorized, issued, and sold as provided in chapter 6-8B and to the extent applicable under chapter 9-40. However, no bond election is required.

Section 2. That § 46A-9-71 be AMENDED:

46A-9-71. If, in order to borrow money from the federal government or from any of its agencies, or from the State of South Dakota or from any other public or private provider of financing, it becomes necessary that the water user district mortgage or otherwise hypothecate any of its property or assets to secure the payment of a loan made to it by or from such a source, the district may mortgage or hypothecate the property and assets for these purposes. Nothing in this section prevents the district from assigning,

pledging, or otherwise hypothecating its revenues, incomes, receipts, or profits to secure the payment of indebtedness to the federal government or any federal agency, the State of South Dakota, or any other public or private provider of financing. However, the State of South Dakota may never pledge its credit or funds, or any part of its credit or funds, for the payment or settlement of any indebtedness or obligation whatsoever of any district created under the provisions of this chapter. Nothing in this chapter authorizes any agency of the State of South Dakota to make loans to any such district, unless the agency is otherwise authorized by law to make such loans.

An Act to revise certain provisions regarding utility facilities and revenue bonds.

I certify that the attached Act originated in
the:
Senate as Bill No. 203

Received at this Executive Office
this ____ day of _____,
2022 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby
approved this _____ day of
_____, A.D., 2022

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

Office of the Secretary of State

ss.

Speaker of the House

Attest:

Filed _____, 2022
at _____ o'clock ___ M.

Chief Clerk

Secretary of State

Senate Bill No. 203
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State