



2025 South Dakota Legislature

House Bill 1072

ENROLLED

AN ACT

ENTITLED An Act to modernize provisions relating to water development districts.

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

Section 1. That § 46A-3A-1 be AMENDED:

46A-3A-1. A water development district is a political subdivision of this state.

A water development district may be established:

- (1) By the Legislature; or
- (2) In accordance with the procedure set forth in this chapter.

A water development district is recognized as a legal entity on the January first following the date of its creation.

Section 2. That § 46A-3A-1.1 be AMENDED:

46A-3A-1.1. Each water development district shall promote the conservation, development, and proper management of district water resources, according to district priorities. Each water development district shall serve as a district-wide clearinghouse for water quality and supply projects through:

- (1) The provision of technical, organizational, and financial assistance to prospective and existing project sponsors;
- (2) The recommendation of projects for inclusion in the state water plan; and
- (3) Any lawful means, not otherwise provided, to accomplish the purposes of chapters 34A-2, 34A-3A, 34A-6, and 34A-9, chapters 46A-3A to 46A-3E, inclusive, and chapters 46A-1 and 46A-2.

Section 3. That § 46A-3A-2 be AMENDED:

46A-3A-2. The Central Plains Water Development District is established. The district is comprised of:

- (1) Faulk, Hughes, Hyde, Potter, and Sully counties; and

- (2) All municipalities that;
 - (a) Are wholly or partially situated within the counties set forth in this section;
or
 - (b) Are contiguous to the counties set forth in this section.

Section 4. That § 46A-3A-3 be AMENDED:

46A-3A-3. The East Dakota Water Development District is established. The district is comprised of:

- (1) Brookings, Codington, Deuel, Grant, Hamlin, Minnehaha, and Moody counties;
- (2) All of Lake County, with the exception of Clarno, Concord, Orland, Wayne, and Winfred townships;
- (3) Badger township in Kingsbury County; and
- (4) All municipalities that:
 - (a) Are wholly or partially situated within the counties or townships described in this section; or
 - (b) Are contiguous to the counties or townships described in this section.

Section 5. That § 46A-3A-4 be AMENDED:

46A-3A-4. The James River Water Development District is established. The district is comprised of:

- (1) Beadle, Brown, Davison, Hanson, Hutchinson, Sanborn, Spink, and Yankton counties;
- (2) Aurora, Belford, Bristol, Cooper, Dudley, Firesteel, Hopper, Palatine, Plankinton, Pleasant Lake, and Pleasant Valley townships in Aurora County;
- (3) Buffalo, Dayton, Dumarce, Eden, Fort, Hamilton, Hickman, Lake, Lowell, Miller, Newark, Newport, Pleasant Valley, Red Iron Lake, Sisseton, Stena, Waverly, Weston, and Wismer townships in Marshall County; and
- (4) All municipalities that are wholly or partially situated within the counties or townships described in this section.

Section 6. That § 46A-3A-5 be AMENDED:

46A-3A-5. The South Central Water Development District is established. The district is comprised of:

- (1) Bon Homme, Brule, Buffalo, Charles Mix, Douglas, and Gregory counties;

- (2) Center, Crystal Lake, Eureka, Gales, Lake, Patten, Truro, Washington, and White Lake townships in Aurora County; and
- (3) That portion of Lyman County south of the White River.

Section 7. That § 46A-3A-6 be AMENDED:

46A-3A-6. The West Dakota Water Development District is established. The district includes that portion of Pennington County west of the Cheyenne River.

Section 8. That § 46A-3A-7 be AMENDED:

46A-3A-7. The West River Water Development District is established. The district is comprised of:

- (1) Haakon, Jones, and Mellette counties;
- (2) That portion of Jackson County north of the White River, except Interior township and the unorganized Cedar township;
- (3) That portion of Pennington County east of the Cheyenne River, except Castle Butte, Conata, Crooked Creek, Flat Butte, Imlay, and Scenic townships;
- (4) The unorganized territory of the Badlands;
- (5) That portion of the unorganized territory of east central Pennington County east of the Cheyenne River; and
- (6) That portion of Lyman County north of the White River.

Section 9. That § 46A-3A-7.1 be AMENDED:

46A-3A-7.1. The Vermillion Basin Water Development District is established. The district includes:

- (1) Clay, McCook, and Turner counties;
- (2) Kingsbury County, except Badger township;
- (3) Clarno, Concord, Orland, Wayne, and Winfred townships in Lake County;
- (4) Adams, Belleview, Canova, Clearwater, Grafton, Henden, Howard, and Vermillion townships in Miner County; and
- (5) All municipalities that are wholly or partially situated within the counties or townships described in this section.

Section 10. That § 46A-3A-8 be AMENDED:

46A-3A-8. Fifteen percent of the eligible voters residing in a geographical area may petition the Board of Water and Natural Resources to submit to an election the question of whether the geographical area shall become a water development district.

Section 11. That § 46A-3A-9 be AMENDED:

46A-3A-9. A petition submitted to the Board of Water and Natural Resources, in accordance with § 46A-3A-8, must:

- (1) Describe the boundaries of the area to be included within the proposed water development district; and
- (2) Include the address of each individual who signed the petition, and the date on which the individual signed the petition, in the individual's own handwriting.

If the petition contains more than one page, each page must have identical headings. Any number of identical petition forms may be circulated and each is deemed to be a part of the petition. Each of the identical petition forms must be verified by the circulator as follows:

"I, the undersigned, being first duly sworn, hereby depose that I circulated the above petition, containing _____ signatures; that I personally witnessed each named individual sign the petition and add the individual's address and the date.

P.O. Address

Subscribed and sworn to before me this ____ day of _____, 20____

Notary Public".

Section 12. That § 46A-3A-10 be AMENDED:

46A-3A-10. If a petition proposing the establishment of a water development district is presented to the Board of Water and Natural Resources, the board must determine whether the petition is in compliance with the requirements of this chapter. If the petition is in compliance, the board must, by resolution, approve the petition and provide a name for the proposed district.

The board shall, at the next general election, refer the question regarding the establishment of the district to the voters of the proposed district.

Section 13. That § 46A-3A-11 be AMENDED:

46A-3A-11. The question regarding the establishment of a water development district must be presented upon a separate ballot, prepared by the Board of Water and Natural Resources. The ballot must, insofar as applicable, be in the form prescribed by the general election laws.

Section 14. That § 46A-3A-12 be AMENDED:

46A-3A-12. Except as otherwise provided, an election to form a water development district must be conducted, canvassed, recounted, and contested, insofar as applicable, in accordance with the general election laws of this state.

The Board of Water and Natural Resources may, in accordance with chapter 1-26, promulgate rules to address any matter related to the conduct of an election governing the establishment of a district, as set forth in chapters 46A-3A to 46A-3E, inclusive, or in the general election laws of this state.

Section 15. That § 46A-3A-13 be AMENDED:

46A-3A-13. If a municipality is included within the boundaries of a proposed water development district, the municipality constitutes a separate election district. The portion of any county that is wholly or partially included within the boundaries of a proposed water development district, and which is outside the corporate limits of a municipality, constitutes a separate election district.

An election district may not become part of a water development district unless at least sixty percent of the votes cast in the election are favorable.

Section 16. That § 46A-3A-14 be AMENDED:

46A-3A-14. The Board of Water and Natural Resources shall, by resolution, establish a water development district consisting of those election districts in which the requisite vote of approval was cast.

Any election district included in the establishment of a water development district, in accordance with this section, may withdraw from the water development district by filing a petition with the board. The petition requesting withdrawal must:

- (1) Be signed by fifteen percent of the voters residing in the election district;
- (2) Contain the same information with respect to the signers as required for a petition to establish a water development district;

- (3) Be verified in the same manner as required for a petition to establish a water development district; and
- (4) Be filed with the board on or before the sixtieth day after the election.

The question regarding the withdrawal of an election district from the water development district must be referred to the voters of the election district at the next general election.

Section 17. That § 46A-3A-15 be AMENDED:

46A-3A-15. If all or some of the election districts within a proposed water development district cast sufficient votes to become a water development district, as provided for in this chapter, the Board of Water and Natural Resources must, by resolution, establish the water development district, and file a true copy of the resolution with the secretary of state. Upon filing of the resolution, the water development district becomes a political subdivision of the state.

Section 18. That § 46A-3A-16 be AMENDED:

46A-3A-16. After a water development district has been established pursuant to chapters 46A-3A to 46A-3E, inclusive, any contiguous county, township, or group of townships may be added to and become a part of the district if:

- (1) The board of the water development district submits to the Board of Water and Natural Resources a resolution supporting the addition; and
- (2) A majority of the votes cast on the question in the area proposed for addition support the addition.

Any county or that portion of a county included within a district may withdraw from the district if a majority of the votes cast on the question in the area proposed for withdrawal support the withdrawal.

Any proposal for an addition or withdrawal, as provided for in this section, must be in the form of a written resolution or petition to the Board of Water and Natural Resources.

A resolution proposing an addition or withdrawal, as provided for in this section, must be approved by a four-fifths vote of the board of county commissioners.

The petition proposing an addition or withdrawal must be signed by voters at least equal in number to five percent of the votes cast within the area in the most recent gubernatorial election. The county auditor in each county where a petition is circulated shall verify the signatures on the petition.

The resolution or petition must state whether the election is for the purpose of becoming a part of or withdrawing from an existing district. The resolution or petition must be presented to the Board of Water and Natural Resources not more than one hundred twenty days nor less than ninety days before a regularly scheduled general election.

Upon receipt of the resolution or petition, the Board of Water and Natural Resources must place the question of the addition or withdrawal on the ballot at the next regularly scheduled general election.

Section 19. That § 46A-3A-17 be AMENDED:

46A-3A-17. Any costs associated with an election in accordance with § 46A-3A-16 are the responsibility of the county in which the area is located.

Section 20. That § 46A-3B-1 be AMENDED:

46A-3B-1. Except as otherwise provided in this section, a water development district's initial board of directors must be elected at the general election following the effective date of the district's establishment. If a general election is not scheduled to occur during the twelve month period after the district is established, the Board of Water and Natural Resources shall call a special election. The cost of a special election is the responsibility of the district.

The initial directors are elected to staggered terms, until the January first following the first general election occurring at least twelve months after the initial election or the next succeeding general election respectively to represent areas of the water development district. Thereafter, the term of each director is four years.

Section 21. That § 46A-3B-2 be AMENDED:

46A-3B-2. A water development district having a population of twenty-five thousand or fewer must have five directors.

A district having a population greater than twenty-five thousand but not greater than seventy-five thousand must have seven directors.

A district having a population greater than seventy-five thousand must have nine directors.

Each director must be an eligible voter and reside in the director area represented. The Board of Water and Natural Resources shall divide the district into director areas. A director must be elected from each director area.

Section 22. That § 46A-3B-2.1 be AMENDED:

46A-3B-2.1. If a water development district has a realignment of director areas, as a result of § 46A-3B-2, any director serving at the time of the realignment may continue to serve until the expiration of the director's term, provided the director remains a resident of the district.

Section 23. That § 46A-3B-3 be AMENDED:

46A-3B-3. As soon as possible following each decennial census of population and housing, or any adjustment to a water development district boundary, the Board of Water and Natural Resources shall ascertain whether the number of board members must be adjusted, adjust the same, and redistrict the director areas to reflect changes in the population of the district and ensure equitable representation of all areas within the district.

The Board of Water and Natural Resources may make adjustments to director areas to reflect precinct changes made pursuant to chapter 12-14, if all areas remain equitably represented.

If an adjustment under this section results in an increased number of board members, each additional position must be filled by elective action of the remaining directors, from candidates proposed by nominating petitions signed by at least twenty-five eligible voters residing in the director area to be represented by the additional position. The individual chosen by the remaining directors to fill the additional position shall serve until a director is elected at the next general election and takes office, as provided for in § 46A-3B-9.

Section 24. That § 46A-3B-4 be AMENDED:

46A-3B-4. A director candidate may be nominated by a petition signed by at least twenty-five registered voters residing in the director area to be represented by the candidate. Nominating petitions must be made available at the water development district office, the secretary of state's office, and the respective county auditors' offices. Nominating petitions must be prescribed by the state election board and filed with the secretary of state between eight a.m., on January first and five p.m., on the last Tuesday of March, prior to the date of the primary election. If a petition is mailed to the secretary of state's office, by registered mail, before five p.m., on the last Tuesday of March, prior to the primary election, it is considered filed.

For the initial election, director nominating petitions must be made available by the Department of Agriculture and Natural Resources and must be filed with the department no later than five p.m., on the first Tuesday of August, before the general election, or in the case of a special election under § 46A-3B-1, no later than thirty days before the date of the special election.

Section 25. That § 46A-3B-5 be AMENDED:

46A-3B-5. If three or more nominating petitions are filed for the position of director, the secretary of state must certify the nomination of candidates to the respective county auditors and the water development district office. The district office shall furnish nonpolitical sample and official ballots in adequate numbers and with adequate time to permit distribution of the ballots, by the respective county auditors, together with other primary election ballots.

Following a primary election, the two candidates receiving the most votes cast in the primary election must be certified and ballots must be furnished in the same manner as for the primary election, but in time to permit distribution of the ballots by the respective county auditors, together with other general election ballots.

If only two nominating petitions are filed, the names of both candidates must be certified and ballots must be furnished as provided in this section.

If only one nominating petition is filed, a certificate of election must be issued to the nominee in the same manner as to a successful candidate after an election.

In the case of an initial election, the Board of Water and Natural Resources shall certify the names of the candidates and furnish ballots in time to permit distribution of the ballots by the county auditors prior to the general or special election.

Section 26. That § 46A-3B-6 be AMENDED:

46A-3B-6. Within thirty days after a general or special election for the initial directors of a water development district, the Board of Water and Natural Resources shall hold a run-off election for each director area in which no candidate received a majority of the votes cast. The run-off election must be between the two candidates receiving the most votes during the general or special election. The district is responsible for the costs of the run-off election.

Section 27. That § 46A-3B-7 be AMENDED:

46A-3B-7. A water development district, or the Board of Water and Natural Resources in the case of an initial election, shall publish a notice setting forth vacancies that will occur upon the completion of board member terms. The notice must:

- (1) Be published once per week for two consecutive weeks;
- (2) Be published in the official newspaper of the district;
- (3) Be published no less than ten nor more than twenty days before the deadline for the filing of director petitions; and
- (4) State the time and place where nominating petitions may be filed for director vacancies.

Section 28. That § 46A-3B-8 be AMENDED:

46A-3B-8. The respective county auditors shall transmit the results of the election for water development district directors to the secretary of state. If only one nominating petition for a water development district director office has been filed, the secretary of state shall issue a certificate of election to the nominee. In the case of an initial election, the Board of Water and Natural Resources shall certify the names of all nominees to the secretary of state and the secretary of state shall issue a certificate of election to each successful candidate.

Section 29. That § 46A-3B-9 be AMENDED:

46A-3B-9. Each director shall take office on January first of the year following the election, or not later than sixty days after a special election.

An office becomes vacant:

- (1) Upon the occurrence of any event listed in § 3-4-1; or
- (2) Upon the expiration of a term of office, if no qualifying petitions have been filed or if no successor has qualified for the office, unless otherwise provided in chapters 46A-3A to 46A-3E, inclusive.

If an office becomes vacant, the remaining directors must fill the position by appointing a qualified candidate from the director area for which a vacancy exists. The individual appointed to fill the vacancy shall serve for the remainder of the unexpired term.

Section 30. That § 46A-3B-10 be AMENDED:

46A-3B-10. Each director of a water development district is entitled to receive compensation in an amount established by the board, plus reimbursement for expenses

incurred if the director is attending meetings or performing duties directed by the board. The compensation and reimbursement provided for in this section is payable upon vouchers approved by the board.

Section 31. That § 46A-3B-11 be AMENDED:

46A-3B-11. Each water development district board of directors shall hold an annual meeting in January. At the annual meeting, the directors shall elect from among themselves a chair, a vice chair, and a secretary. Each officer elected in accordance with this section shall hold office until the next annual meeting or until a successor has been elected.

Each board of directors shall appoint a treasurer who may be a director and who shall serve at the pleasure of the board. The treasurer must be bonded in an amount determined by the board.

The chair, vice chair, secretary, and treasurer constitute the officers of the board of directors. The treasurer has voting privileges only if the treasurer is a director.

Section 32. That § 46A-3B-12 be AMENDED:

46A-3B-12. A majority of the water development district board's voting members constitutes a quorum for the transaction of business.

Section 33. That § 46A-3C-1 be AMENDED:

46A-3C-1. In order to dissolve a water development district, a petition of dissolution must be filed with the Board of Water and Natural Resources.

The petition must be:

- (1) Signed by eligible voters of the district, equal in number to at least fifteen percent of the votes cast in the district during the most recent gubernatorial election; and
- (2) Filed with the Board of Water and Natural Resources on or before the first Tuesday of July, immediately preceding the general election.

Upon receipt of a petition in accordance with this section, the Board of Water and Natural Resources must refer the question to the voters of the district, at the next general election.

Section 34. That § 46A-3C-2 be AMENDED:

46A-3C-2. A petition of dissolution pursuant to § 46A-3C-1 must:

- (1) State the legal name of the water development district;
- (2) Request that the district be dissolved; and
- (3) Include the address of each individual who signed the petition and the date on which the individual signed the petition, in the individual's own handwriting.

If the petition contains more than one page, each page must have an identical heading.

Each page of the petition containing signatures must contain an affidavit by the circulator in substantially the following form:

STATE OF SOUTH)

DAKOTA) SS

COUNTY OF _____)

I, the undersigned _____, being first duly sworn, depose and say, that I am the circulator of the foregoing petition containing _____ signatures; each individual whose name appears on the petition sheet personally signed the petition in my presence; I believe that each of the signers is a resident at the address written opposite the signer's name; and I stated the legal effect and nature of the petition to each individual, prior to the individual signing the petition.

Circulator

Subscribed and sworn to before me this _____ day of _____, 20____.

Notary Public

Section 35. That § 46A-3C-3 be AMENDED:

46A-3C-3. Upon presentation of a petition to the Board of Water and Natural Resources, proposing that a water development district be dissolved, the board must determine whether the petition is in compliance with all legal requirements. If the board determines that the petition is in compliance, the board must, by resolution, approve the petition and refer the question to the voters of the water development district at the next general election.

Section 36. That § 46A-3C-4 be AMENDED:

46A-3C-4. If at least fifty percent of the votes cast are in favor of dissolving the water development district, the Board of Water and Natural Resources must, by resolution, dissolve the district and file a copy of the resolution with the secretary of state.

If the vote is against dissolving the district, another vote may not be held on the question of dissolution for four years. A new election may not be held unless a new petition has been submitted to the Board of Water and Natural Resources. The costs associated with an election to dissolve a district are the responsibility of the affected district.

Section 37. That § 46A-3C-5 be AMENDED:

46A-3C-5. If a water development district has been dissolved, the Board of Water and Natural Resources shall exercise all necessary power and authority of the water development district board of directors, until all financial responsibilities, obligations, and other contractual commitments of the dissolved district are satisfied.

Section 38. That § 46A-3C-6 be AMENDED:

46A-3C-6. Any election held to carry out the purposes of chapters 46A-3A to 46A-3E, inclusive, must be conducted, canvassed, recounted, and contested in the same manner as other elections under state law, except as otherwise provided in this section.

If details concerning the conduct, canvassing, recounting, or contest of an election are not set forth within chapters 46A-3A to 46A-3E, inclusive, and the general election laws are not applicable, the Board of Water and Natural Resources must promulgate rules, pursuant to chapter 1-26, to:

- (1) Carry out the intent of chapters 46A-3A to 46A-3E, inclusive, with respect to elections; and
- (2) Provide for the submission to an election of any matter that is subject to a vote, in accordance with chapters 46A-3A to 46A-3E, inclusive.

Section 39. That § 46A-3D-1 be AMENDED:

46A-3D-1. A water development district board of directors may equip, maintain, and operate an office, within the district, as its principal place of business and establish other offices as necessary.

The board of directors may appoint and fix compensation of any employees necessary to conduct the business of the district and carry out the intent of chapters 46A-3A to 46A-3E, inclusive.

An employee of the district may not serve as a director.

Section 40. That § 46A-3D-2 be AMENDED:

46A-3D-2. A water development district board of directors may enter into group hospital and medical insurance contracts for the protection and benefit of district employees and the immediate families of the employees. The board may pay all or part of the necessary premiums for its employees.

Section 41. That § 46A-3D-3 be AMENDED:

46A-3D-3. A water development district board of directors shall keep board meeting minutes and records and books of the operations, management, and business of the district. The minutes, records, and books must be kept at the principal place of business and be open to public inspection during reasonable business hours. The minutes must be distributed to the official newspaper of the district.

Section 42. That § 46A-3D-4 be AMENDED:

46A-3D-4. The fiscal year of the water development district coincides with the calendar year.

At the conclusion of each fiscal year in which the district's revenues exceeded three hundred fifty thousand dollars, the board shall obtain an audit of the books and records, from the Department of Legislative Audit or an auditor approved by the department. The district shall retain a written report of the audit at its principal place of business and shall file a copy with the secretary of state. The district shall publish a notice regarding availability of the audit report in the official newspaper of the district.

A district having three hundred fifty thousand dollars or less in annual revenue may submit an annual report in lieu of an audit. The district shall submit the report to the auditor-general, on forms prescribed by the department.

The auditor-general may audit the books and records of a district upon a determination of cause, or if requested by the board.

Section 43. That § 46A-3D-5 be AMENDED:

46A-3D-5. The water development district board of directors may sue and be sued in the name of the district.

Section 44. That § 46A-3D-6 be AMENDED:

46A-3D-6. The water development district board of directors may cooperate or contract with any person for the purposes of chapters 46A-3A to 46A-3E, inclusive.

Section 45. That § 46A-3D-7 be AMENDED:

46A-3D-7. A water development district board of directors may carry public liability insurance for any acts or omissions that occur in the performance of official duties by the directors or by employees. The board may carry other insurance to protect the district and its property.

Section 46. That § 46A-3D-8 be AMENDED:

46A-3D-8. A water development district board of directors may acquire, by purchase or lease, all real and other property, as necessary to carry out the purposes of chapters 46A-3A to 46A-3E, inclusive. The board may hold and use the property, lease the property, sell the property, or otherwise dispose of the property in whole or in part. The board shall follow the procedures in chapter 6-13 for the sale, exchange, leasing, and disposal of property.

Section 47. That § 46A-3D-9 be AMENDED:

46A-3D-9. A water development district board of directors may exercise the power of eminent domain to acquire any right, title, interest, estate, or easement necessary to carry out the purposes of chapters 46A-3A to 46A-3E, inclusive, if the district is unable to acquire it by negotiation.

Section 48. That § 46A-3D-10 be AMENDED:

46A-3D-10. A water development district board of directors may accept gifts, grants, and donations, or other assistance, from public or private sources for the purposes of chapters 46A-3A to 46A-3E, inclusive.

Section 49. That § 46A-3D-11 be AMENDED:

46A-3D-11. A water development district board of directors shall annually designate a newspaper of general circulation within the district as the official newspaper of the district.

Section 50. That § 46A-3D-12 be AMENDED:

46A-3D-12. A water development district board of directors may establish a capital reserve fund. Dollars in the fund may not revert at the end of a fiscal year. The board may expend dollars from the fund, as necessary, for the purposes of chapters 46A-3A to 46A-3E, inclusive.

Section 51. That § 46A-3D-13 be AMENDED:

46A-3D-13. Any land used to satisfy federal wildlife mitigation requirements for a project must be within the water development district benefiting from that project.

Section 52. That § 46A-3E-1 be AMENDED:

46A-3E-1. A water development district board of directors may levy taxes, not to exceed thirty cents per thousand dollars of taxable valuation in the district, for the purposes of chapters 46A-1, 46A-2, and 46A-3A to 46A-3E, inclusive. If an area is included in more than one district, the tax levy payable to each of the water development districts is determined by multiplying the greater of the overlapping water development districts' levies by each water development district's taxing fraction. Each district's taxing fraction is determined by dividing that district's proposed tax levy for the overlapped area by the sum of all water development districts' levies for the overlapped area.

Section 53. That § 46A-3E-2 be AMENDED:

46A-3E-2. A water development district board of directors may make special assessments against real property specially benefited by a project, provided that the persons seeking the assessment present to the board a petition, in a form approved by the Board of Water and Natural Resources, and signed by sixty-six and two-thirds percent of the owners of real property to be assessed.

Section 54. That § 46A-3E-3 be AMENDED:

46A-3E-3. Only those persons who contractually agree to a special assessment for a water delivery project may be specially assessed. Notwithstanding § 46A-3E-4, any person who wishes to join a water delivery project after a petition has been filed with the water development district board of directors, pursuant to § 46A-3E-4, may contractually

agree to join the project. A person joining after the petition has been filed may be required to make special payments, in addition to the special assessments.

Section 55. That § 46A-3E-4 be AMENDED:

46A-3E-4. Upon receipt of a petition requesting a special assessment, a water development district board of directors must hold a hearing on the question. The board must publish notice of the hearing in the official newspaper of the district, at least once each week, for two consecutive weeks, before the hearing. The last publication must occur at least ten days prior to the hearing. If the board, after the hearing, determines that the project is consistent with the best interest of the district, the board must adopt a resolution of intent to specially assess.

Section 56. That § 46A-3E-5 be AMENDED:

46A-3E-5. Within twenty days after adoption of a resolution of intent to specially assess, a water development district board of directors shall give written notice to the owners of real property described in the resolution. Persons who are entitled to notice in accordance with this section are those listed as the owners in the records of the register of deeds for the county in which the real property is located.

If real property is sold under a contract for deed that is recorded in the office of the register of deeds, both the landowner and the purchaser of the land, as named in the contract for deed, are entitled to notice.

Notice must be by registered or certified mail, effective upon the date mailed, and must contain:

- (1) A description of the contract under which the assessment is to be made;
- (2) A legal description of the owner's real property to be specially assessed;
- (3) A description of the benefit to be returned to the property; and
- (4) Information regarding the right to protest by petition.

Section 57. That § 46A-3E-6 be AMENDED:

46A-3E-6. A special assessment by a water development district is effective thirty days after adoption of the resolution of intent to specially assess, unless a written protest is filed with the district within thirty days after adoption of the resolution, excluding the date of adoption. The written protest must be in the form of a petition, signed by at least

sixty percent of the owners of real property described in the resolution of intent to specially assess.

Section 58. That § 46A-3E-7 be AMENDED:

46A-3E-7. A water development district may assist, sponsor, or construct a water resources project provided:

- (1) Specific areas shall finance those phases of water resources development that provide general benefits to the people in the areas;
- (2) Direct beneficiaries shall finance those phases of water resources development that provide water for their use or that protect or enhance the value of their property; and
- (3) Administrative jurisdiction and responsibility for the various phases of water resources development are related to the variable degrees of benefits.

Section 59. That § 46A-3E-8 be AMENDED:

46A-3E-8. A water development district board of directors may levy taxes and special assessments, as provided in chapters 46A-3A to 46A-3E, inclusive, to cover obligations contained in contracts with:

- (1) The federal government;
- (2) This state; or
- (3) Any other public or private entity.

With the exception of special assessments, the board may not obligate any monies that are not to be collected or on hand during the fiscal year in which the obligation is to be incurred.

Section 60. That § 46A-3E-9 be AMENDED:

46A-3E-9. Pursuant to chapters 46A-3A to 46A-3E, inclusive, a water development district board of directors may levy a tax, a special assessment, or both, against taxable property within the district, to be collected in accordance with chapters 46A-3A to 46A-3E, inclusive.

The amount collected must be forwarded monthly to the treasurer of the district for deposit in an institutional account designated by the board. Disbursements from the account may be made only upon vouchers drawn by the treasurer, pursuant to procedures

adopted by the board. Disbursements may be used in performing the duties prescribed by chapters 46A-3A to 46A-3E, inclusive.

Any contract entered into by the board on behalf of an irrigation district, a drainage district, a watershed district, a municipality, a county, a township, or any state agency must be secured by the taxing or assessment power of the entity.

Any contract entered into by the board, with or on behalf of a soil conservation district, a water user district, or any other nontaxing entity must provide for an assurance of payment that is satisfactory to the board.

Section 61. That § 46A-3E-10 be AMENDED:

46A-3E-10. The board of directors of a water development district shall, at the time of organization and on or before October first of each year thereafter, adopt a budget and prepare an operations and budget report. The report must include estimates and itemizations of the district's expenses and obligations.

Before the board approves the budget, the board shall hold a public hearing. The board shall publish notice of the hearing once each week, for two successive weeks, in the official newspaper of the district.

The notice must state the time and place of the hearing, the purpose for the hearing, and that the hearing will include an opportunity for public comment.

At the conclusion of the hearing, the board may modify the budget.

Section 62. That § 46A-3E-11 be AMENDED:

46A-3E-11. Upon adoption of a budget, a water development district board of directors shall make a tax levy, special assessment, or both, in dollars sufficient to fund the budget. Any tax levy made against property in a given county in a district must be in an amount equal to the total district tax levy in dollars, multiplied by the county's proportional share.

The county's proportional share is determined by dividing the equalized assessed valuation of the area within the district for that county by the total district equalized assessed valuation.

The provisions of § 10-12-34.1 may not prohibit apportionment of the tax among the counties, as provided for in this section.

A district tax levy may not exceed the limitation specified in chapters 46A-3A to 46A-3E, inclusive, except as provided in § 46A-3E-1. Any tax levy must be in the form of a resolution adopted by the board.

Section 63. That § 46A-3E-12 be AMENDED:

46A-3E-12. Upon the adoption of a budget and the levying of taxes, special assessments, or both, the board shall, on or before October first, forward a certified copy of the levy and a certified copy of the budget to the appropriate tax collecting officials in the affected counties and to the Department of Revenue.

Section 64. That § 46A-3E-13 be AMENDED:

46A-3E-13. The tax collecting officials shall extend the levy or special assessments upon the tax list of the county, municipality, or other appropriate tax paying entity for the tax year against each description of taxable property or, in the case of special assessments, against each description of taxable property to be specially assessed within the water development district, in the same manner and with the same effect as other taxes and assessments are extended, including the authority, requirements, and procedures contained in chapter 9-43.

Section 65. That § 46A-3E-14 be AMENDED:

46A-3E-14. The tax collecting officials shall collect all water development district taxes and assessments, together with any interest and penalties, in the same manner as the general taxes and assessments are collected and shall on a monthly basis, forward the amounts collected during the preceding month to the district treasurer. The district treasurer shall deposit the amounts in the institutional account designated by the board.

Section 66. That § 46A-3B-13 be REPEALED.**Section 67. That § 46A-3E-15 be REPEALED.**

An Act to modernize provisions relating to water development districts.

 I certify that the attached Act originated in
 the:
 House as Bill No. 1072

Received at this Executive Office
 this _____ day of _____,
 2025 at _____ M.

 Chief Clerk

By _____
 for the Governor

 Speaker of the House

The attached Act is hereby
 approved this _____ day of
 _____, A.D., 2025

Attest:

 Chief Clerk

 Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

 President of the Senate

Attest:

Filed _____, 2025
 at _____ o'clock ___ M.

 Secretary of the Senate

 Secretary of State

House Bill No. 1072
 File No. _____
 Chapter No. _____

By _____
 Asst. Secretary of State