

## 2021 South Dakota Legislature

**House Bill 1230****AMENDMENT 1230B FOR THE HOUSE TAXATION BILL**

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 special county capital improvement fund--**  
20 **Amount credited to fund--Distribution of moneys in fund--Purpose--Deposit**  
21 **amountUse of moneys distributed--Increase in ~~deposit~~ amount credited.**

22 ~~There shall be established within the state treasury the county capital improvement~~  
23 ~~fund to assist a county with meeting expenditures~~For each county in this state, there shall  
24 ~~be credited, on a monthly basis, to a special county capital improvement fund, that is~~

1 hereby established in the state treasury, five hundredths of a percent of the revenue  
2 received from within the county's jurisdictional boundary as a result of taxes imposed in  
3 chapters 10-45 and 10-46. The Department of Revenue shall pay the moneys in the fund  
4 to the county entitled thereto within thirty days of receipt after accounting for any refunds  
5 made. The county, by a majority vote of its board of county commissioners, may use the  
6 moneys from the fund for the purpose of repairing or improving roads, or acquiring,  
7 constructing, renovating, or replacing a building or structure described in §§ 7-25-1 and  
8 7-25-3, or a facility designed to reduce jail incarceration.

9 The secretary of the Department of Revenue shall track and keep a written record  
10 full and accurate records of the revenue collected within each county's jurisdictional  
11 boundary as a result of taxes imposed in chapters 10-45 and 10-46. The secretary of the  
12 Department of Revenue shall, on a monthly basis, deposit five hundredths of a percent of  
13 the revenue collected as a result of taxes imposed in chapters 10-45 and 10-46 in the  
14 county capital improvement fund credited and distributed pursuant to this section.

15 Beginning on July 1, 2022, and on each July first thereafter up to and including  
16 July 1, 2025, the monthly deposit amount credited to the special county capital  
17 improvement fund shall be increased by an additional five hundredths of a percent of the  
18 revenue collected received.

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

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