

2025 South Dakota Legislature

House Bill 1235**AMENDMENT 1235C
FOR THE HOUSE STATE AFFAIRS ENGROSSED BILL**

1 **An Act to reduce a limit on the annual increases of property tax revenues payable**
 2 **to certain taxing districts, and ~~to~~ subject school districts to a limit on property**
 3 **taxes collected in a year, and amend public notice requirements prior to a**
 4 **vote to impose an excess tax levy.**

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

6 **Section 1. That § 10-13-35 be AMENDED:**

7 **10-13-35.** ~~This section does not apply to school districts. For taxes payable in~~
 8 ~~1997, and each year thereafter, the~~The total amount of revenue payable from taxes on
 9 real property within a taxing district, ~~excluding the levy pursuant to § 10-13-36,~~ may
 10 increase no more than the lesser of ~~three~~ two and one-half percent or the index factor, as
 11 defined in § 10-13-38, over the amount of revenue payable from taxes on real property
 12 in the preceding year, ~~excluding the amount of taxes levied pursuant to § 10-13-36.~~ This
 13 section does not apply to the amount of taxes levied pursuant to §§ 10-12-43, 10-13-36,
 14 13-16-7, 13-16-7.2, 13-16-7.3, 13-16-10, and 13-37-16.

15 After applying the index factor, a taxing district may increase the revenue payable
 16 from taxes on real property above the limitations provided by this section by the
 17 percentage increase of value resulting from any improvements or change in use of real
 18 property, annexation, minor boundary changes, and any adjustments in taxation of
 19 property separately classified and subject to statutory adjustments and reductions under
 20 chapters 10-4, 10-6, 10-6A, and 10-6B, except § 10-6-113, only if assessed the same as
 21 property of equal value.

22 A taxing district may further increase the revenue it receives from taxes on real
 23 property above the ~~limit~~ limitations provided by this section for taxes levied to pay the
 24 principal, interest, and redemption charges on any bonds ~~issued after January 1,~~
 25 ~~1997, which~~ that are subject to referendum; ~~and~~ and scheduled payment increases on bonds; ~~and~~
 26 for a levy directed by the order of a court for the purpose of paying a judgment against

1 ~~such the~~ taxing district. ~~Any A~~ taxing district ~~created after the effective date of this section~~
 2 is exempt from the limitation provided by this section for a period of two years immediately
 3 following its creation.

4 **Section 2. That a NEW SECTION be added to chapter 10-12:**

5 At least ten days in advance of a vote to impose an excess tax levy pursuant to §§
 6 10-12-43 or 10-12-43.1, the board of the school district shall publish, in a newspaper of
 7 general circulation within the district, notice of its intent to impose an excess tax levy. The
 8 notice must include:

- 9 (1) The maximum amount under consideration in excess of the limitations applicable
 10 to the school district;
- 11 (2) The amount allowed to be imposed without an excess tax levy; an
- 12 (3) The date, time, and location of the public hearing at which the board will vote to
 13 impose an excess tax levy.

14 If the board of the district maintains a website, the notice must be published on
 15 the website, at least ten days in advance of the public hearing.

16 The board of the school district shall, at the public hearing, provide taxpayers with
 17 an opportunity to comment on the excess tax levy.

18 **Section 3. That a NEW SECTION be added to chapter 10-13:**

19 At least ten days in advance of a vote to impose an excess tax levy pursuant to §
 20 10-13-36, the governing body of a taxing district shall publish, in a newspaper of general
 21 circulation within the district, notice of its intent to impose an excess tax levy. The notice
 22 must include:

- 23 (1) The maximum amount under consideration in excess of the limitations applicable
 24 to the taxing district;
- 25 (2) The amount allowed to be imposed without an excess tax levy; and
- 26 (3) The date, time, and location of the public hearing at which the governing body will
 27 vote to impose an excess tax levy.

28 If the governing body of the district maintains a website, the notice must be
 29 published on the website, at least ten days in advance of the public hearing

30 The governing body of the district shall, at the public hearing, provide taxpayers
 31 with an opportunity to comment on the excess tax levy.