

# State of South Dakota

NINETIETH SESSION  
LEGISLATIVE ASSEMBLY, 2015

690W0058

HOUSE BILL NO. \_\_\_\_\_

Introduced by: \_\_\_\_\_

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the pension and  
2 capital outlay tax levies for school districts.

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

4 Section 1. That § 13-10-6 be amended to read as follows:

5 13-10-6. For the purpose of continuing a fund for the payment of pensions to retired  
6 employees of a school district that has established such system, the school district may levy an  
7 annual tax not exceeding thirty cents per thousand dollars of taxable valuation of the school  
8 district for the current year. The levy may not be included in determining the tax levy limitation  
9 of the school district provided by law. Moneys collected from the tax shall be kept by the  
10 business manager in a special pension fund and may not be used for any other purpose except  
11 upon discontinuance of the pension system by the school district, in which case any unexpended  
12 balance shall be transferred to the general fund.

13 For taxes payable in 2011, the total amount of revenue payable from the levy provided in  
14 this section may not increase more than the lesser of three percent or the index factor, as defined  
15 in § 10-13-38, over the maximum amount of revenue that could have been generated for the  
16 taxes payable in 2010. After applying the index factor, a school district may increase the revenue



1 payable from taxes on real property above the limitations provided by this section by the  
2 percentage increase of value resulting from any improvements or change in use of real property,  
3 annexation, minor boundary changes, and any adjustments in taxation of real property separately  
4 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,  
5 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value.

6 For taxes payable in 2012, ~~2013, 2014, and 2015~~ to 2019, inclusive, the total amount of  
7 revenue payable from the levy provided in this section may not increase more than the lesser of  
8 three percent or the index factor, as defined in § 10-13-38, over the maximum amount of  
9 revenue that could have been generated for the taxes payable in 2010 plus any unused index  
10 factor from the previous years. After applying the index factor, a school district may increase  
11 the revenue payable from taxes on real property above the limitations provided by this section  
12 by the percentage increase of value resulting from any improvements or change in use of real  
13 property, annexation, minor boundary changes, and any adjustments in taxation of real property  
14 separately classified and subject to statutory adjustments and reductions under chapters 10-4,  
15 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal  
16 value.

17 Any school district created or reorganized after January 1, 2009, is exempt from the  
18 limitation provided by this section for a period of two years immediately following its creation.

19 For taxes payable in 2011, ~~2012, 2013, 2014, and 2015~~ to 2019, inclusive, the levy  
20 limitation of thirty cents per thousand dollars of taxable valuation does not apply to any school  
21 district.

22 Section 2. That § 13-16-7 be amended to read as follows:

23 13-16-7. The school board of any school district of this state may at its discretion authorize  
24 an annual levy of a tax not to exceed three dollars per thousand dollars of taxable valuation on

1 the taxable valuation of the district for the capital outlay fund for assets as defined by § 13-16-6  
2 or for its obligations under a resolution, lease-purchase agreement, capital outlay certificate, or  
3 other arrangement with the Health and Educational Facilities Authority. Taxes collected  
4 pursuant to such levy may be irrevocably pledged by the school board to the payment of  
5 principal of and interest on installment purchase contracts or capital outlay certificates entered  
6 into or issued pursuant to § 13-16-6 or 13-16-6.2 or lease-purchase agreements or other  
7 arrangement with the Health and Educational Facilities Authority and, so long as any capital  
8 outlay certificates are outstanding, installment agreement payments, lease-purchase agreements,  
9 or other arrangements are unpaid, the school board of any district may be compelled by  
10 mandamus or other appropriate remedy to levy an annual tax sufficient to pay principal and  
11 interest thereon, but not to exceed the three dollars per thousand dollars of taxable valuation in  
12 any year authorized to be levied hereby.

13 For taxes payable in 2011, the total amount of revenue payable from the levy provided in  
14 this section may not increase more than the lesser of three percent or the index factor, as defined  
15 in § 10-13-38, over the maximum amount of revenue that could have been generated for the  
16 taxes payable in 2010. After applying the index factor, a school district may increase the revenue  
17 payable from taxes on real property above the limitations provided by this section by the  
18 percentage increase of value resulting from any improvements or change in use of real property,  
19 annexation, minor boundary changes, and any adjustments in taxation of real property separately  
20 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,  
21 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value. A school  
22 district may increase the revenue it receives from taxes on real property above the limit provided  
23 by this section for taxes levied to pay the principal, interest, and redemption charges on any  
24 bonds issued after January 1, 2009, which are subject to referendum; for scheduled payment

1 increases on bonds, and for a levy directed by the order of a court for the purpose of paying a  
2 judgment against the school district. Any school district created or reorganized after January 1,  
3 2009, is exempt from the limitation provided by this section for a period of two years  
4 immediately following its creation.

5 For taxes payable in 2012, ~~2013, 2014, and 2015~~ to 2019, inclusive, the total amount of  
6 revenue payable from the levy provided in this section may not increase more than the lesser of  
7 three percent or the index factor, as defined in § 10-13-38, over the maximum amount of  
8 revenue that could have been generated for the taxes payable in 2010 plus any unused index  
9 factor from the previous years. After applying the index factor, a school district may increase  
10 the revenue payable from taxes on real property above the limitations provided by this section  
11 by the percentage increase of value resulting from any improvements or change in use of real  
12 property, annexation, minor boundary changes, and any adjustments in taxation of real property  
13 separately classified and subject to statutory adjustments and reductions under chapters 10-4,  
14 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal  
15 value. A school district may increase the revenue it receives from taxes on real property above  
16 the limit provided by this section for taxes levied to pay the principal, interest, and redemption  
17 charges on any bonds issued after January 1, 2009, which are subject to referendum, scheduled  
18 payment increases on bonds and for a levy directed by the order of a court for the purpose of  
19 paying a judgment against such school district. Any school district created or reorganized after  
20 January 1, 2009, is exempt from the limitation provided by this section for a period of two years  
21 immediately following its creation.

22 For taxes payable in 2011, ~~2012, 2013, 2014, and 2015~~ to 2019, inclusive, the levy  
23 limitation of three dollars per thousand dollars of taxable valuation does not apply to any school  
24 district.

1 Section 3. That § 13-16-7.1 be amended to read as follows:

2 13-16-7.1. For taxes payable in 2014 ~~and 2015~~ to 2019, inclusive, the provisions of §§ 13-  
3 10-6 and 13-16-7 that limit the maximum amount of revenue that may be generated by the  
4 pension and capital outlay tax levies do not apply to any school district that has less than a ten  
5 percent change in the total taxable valuation from the previous year of all real property in the  
6 school district, not including the increase of value resulting from any improvements or change  
7 in use of real property.