

# State of South Dakota

EIGHTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2009

749Q0123

## SENATE BILL NO. 91

Introduced by: Senators Olson (Russell), Abdallah, Adelstein, Ahlers, Bradford, Brown, Garnos, Gray, Hansen (Tom), Howie, Hundstad, Hunhoff (Jean), Kloucek, Maher, and Schmidt and Representatives Vanneman, Bolin, Boomgarden, Carson, Cronin, Curd, Cutler, Faehn, Fargen, Greenfield, Hamiel, Juhnke, Kirschman, Krebs, Lust, Noem, Putnam, Rausch, Rave, Romkema, Rounds, Russell, Schlekeway, Street, and Tidemann

1 FOR AN ACT ENTITLED, An Act to allow certain school districts, for a period of five years,  
2 to expend capital outlay funds for certain transportation costs, for the purchase of property  
3 and casualty insurance, and for energy costs, and the cost of utilities.

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

5 Section 1. That § 13-16-6 be amended to read as follows:

6 13-16-6. The capital outlay fund of the school district is a fund provided by law to meet  
7 expenditures which result in the acquisition or lease of or additions to real property, plant, or  
8 equipment. Such an expenditure shall be for land, existing facilities, improvement of grounds,  
9 construction of facilities, additions to facilities, remodeling of facilities, or for the purchase or  
10 lease of equipment. It may also be used for installment or lease-purchase payments for the  
11 purchase of real property, plant, or equipment, which have a contracted terminal date not  
12 exceeding twenty years from the date of the installment contract or lease-purchase and for the  
13 payment of the principal of and interest on capital outlay certificates issued pursuant to § 13-16-



1 6.2.

2 Any purchase of one thousand dollars or less may be paid out of the general fund. The total  
3 accumulated unpaid principal balances of such installment contracts and lease-purchase and the  
4 outstanding principal amounts of such capital outlay certificates may not exceed three percent  
5 of the taxable valuation. The school district shall provide a sufficient levy each year under the  
6 provisions of § 13-16-7 to meet the annual installment contract, lease-purchase, and capital  
7 outlay certificate payments, including interest.

8 ~~A Beginning on July 1, 2014, a school district which contracts its student transportation may~~  
9 ~~expend from the capital outlay fund an amount not to exceed fifteen percent of the contract~~  
10 ~~amount. In addition, a school district which reimburses for mileage instead of providing~~  
11 ~~transportation pursuant to § 13-30-3, may use the capital outlay fund to pay for fifteen percent~~  
12 ~~of its mileage reimbursement costs.~~

13 The capital outlay fund may be used to purchase textbooks and instructional software.

14 The capital outlay fund may be used to purchase warranties on capital assets if the  
15 warranties do not include supplies.

16 During the period of time beginning on July 1, 2009, and ending on June 30, 2014, any  
17 school district with a current tax levy for the capital outlay fund that is equal to or less than its  
18 tax levy for the capital outlay fund in school fiscal year 2008 may expend from its capital outlay  
19 fund for payments for the purchase of property insurance and casualty insurance, for payments  
20 for energy costs and the cost of utilities, and for motor fuel or for any portion of a contract  
21 providing transportation to students or for any mileage reimbursements. However, the total  
22 amount that a school district expends from its capital outlay fund for these expenses may not  
23 exceed forty-five percent of the total tax revenues deposited in that fund during the current  
24 school fiscal year.