

# State of South Dakota

EIGHTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2009

749Q0123

## SENATE EDUCATION ENGROSSED NO. **SB 91** - 2/10/2009

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

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 any school district, for a period of five years, to  
2 expend capital outlay funds for certain transportation costs, for the purchase of property and  
3 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



1 payment of the principal of and interest on capital outlay certificates issued pursuant to § 13-16-  
2 6.2.

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

9 A school district which contracts its student transportation may expend from the capital  
10 outlay fund an amount not to exceed fifteen percent of the contract amount. In addition, a school  
11 district which reimburses for mileage instead of providing transportation pursuant to § 13-30-3,  
12 may use the capital outlay fund to pay for fifteen percent 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 may make payments from its capital outlay fund for the purchase of property  
18 insurance and casualty insurance, for payments for energy costs and the cost of utilities, and for  
19 motor fuel or for any portion of a contract providing transportation to students or for any  
20 mileage reimbursements. However, the total amount that a school district expends from its  
21 capital outlay fund for these expenses may not exceed forty-five percent of the total tax revenues  
22 deposited in that fund during the current school fiscal year.