

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

447U0130

HOUSE BILL NO. 1120

Introduced by: Representatives Munsterman, Erickson, Feinstein, Hansen, Hawks, Heinert, Hickey, Kopp, Rozum, Sly, Stalzer, and Westra and Senators Johnston, Kirkeby, Otten (Ernie), Peters, Sohlt, and Welke

1 FOR AN ACT ENTITLED, An Act to allow regional intergovernmental cooperation for sewer
2 utilities and to provide for the establishment of rates and charges.

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

4 Section 1. That chapter 9-48 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Notwithstanding any other provision in this chapter, any municipality, sanitary district, other
7 political subdivision of this state, or any combination thereof which maintains, has installed, or
8 plans to install sewer utilities for public use may establish, by ordinance or resolution, fair and
9 equitable rates and charges for sewer utilities to be paid by the users of the sewer utilities and
10 others connected thereto. The rates and charges may be established to recover past capital costs
11 and pay for the capital costs of developing new capacity. For the purposes of this section, the
12 term, capital costs, includes:

13 (1) Costs of construction or expansion of infrastructure that is necessary to serve a new
14 development, including the design, surveying, engineering, environmental, and other



1 professional fees that are directly related to the construction or expansion of the
2 sewer utility;

3 (2) Land acquisition costs including the purchase of interest in land, any court award or
4 settlement, appraisal, relocation service, negotiation service, title insurance, expert
5 witness, attorney, and other professional fees that are directly related to the land
6 acquisition;

7 (3) Debt service;

8 (4) Rate of return including a risk premium for any potential default; and

9 (5) Directly related expenses incurred in preparing or updating the comprehensive plan
10 or zone improvement plan, including all administrative, consulting, attorney, and
11 other professional fees.

12 The rates and charges may be assessed separately or added to other rates established
13 pursuant to this chapter. Two or more municipalities, sanitary districts, political subdivisions
14 of this state, or any combination thereof, may enter into an agreement or contract with each
15 other, or otherwise enter into an agreement as permitted by law, for the provision of sewer
16 utilities. For the purposes of this section, the term, sewer utility, means any main, trunk, service
17 sewer, sanitary and storm sewer, and septic or treatment facility, drain, pumping station, lift
18 station, interceptor, force main, manhole, flow equalization structure, and any other equipment,
19 material, and facility related thereto.