

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

615U0558

HOUSE TAXATION ENGROSSED NO. **HB 1239** 01/31/2013

Introduced by: Representatives Schoenfish, Craig, Heinemann (Leslie), Heinert, Hunhoff (Bernie), Johns, Kirschman, Miller, Nelson, Qualm, Stevens, Tulson, and Tyler and Senators Sutton, Begalka, Bradford, Frerichs, and Welke

1 FOR AN ACT ENTITLED, An Act to authorize school districts to increase certain tax levies
2 for pension and health insurance purposes.

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, for the purpose of participating
7 in group health insurance contracts or self insurance pursuant to § 13-10-3, or both, the school
8 district may levy an annual tax not exceeding ~~thirty~~ forty cents per thousand dollars of taxable
9 valuation of the school district for the current year. The levy may not be included in determining
10 the tax levy limitation of the school district provided by law. Moneys collected from the tax for
11 pension purposes shall be kept by the business manager in a special pension fund and may not
12 be used for any other purpose except upon discontinuance of the pension system by the school
13 district, in which case any unexpended balance shall be transferred to the health insurance fund
14 or to the general fund. Moneys collected from the tax for health insurance purposes shall be kept



1 by the business manager in a special health insurance fund and may not be used for any other
2 purpose except upon discontinuance of the health insurance contract or program by the school
3 district, in which case any unexpended balance shall be transferred to the special pension fund
4 or to the general fund.

5 For taxes payable in 2011, the total amount of revenue payable from the levy provided in
6 this section may not increase more than the lesser of three percent or the index factor, as defined
7 in § 10-13-38, over the maximum amount of revenue that could have been generated for the
8 taxes payable in 2010. After applying the index factor, a school district may increase the revenue
9 payable from taxes on real property above the limitations provided by this section by the
10 percentage increase of value resulting from any improvements or change in use of real property,
11 annexation, minor boundary changes, and any adjustments in taxation of real property separately
12 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,
13 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value.

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

24 Any school district created or reorganized after January 1, 2009, is exempt from the

1 limitation provided by this section for a period of two years immediately following its creation.
2 For taxes payable in 2011, 2012, 2013, 2014, and 2015, the levy limitation of ~~thirty~~ forty
3 cents per thousand dollars of taxable valuation does not apply to any school district.