

# State of South Dakota

NINETY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 2018

343Z0015

## SENATE TAXATION ENGROSSED NO. **SB 150** - 2/2/2018

Introduced by: Senators Stalzer, Jensen (Phil), Kolbeck, Monroe, Nelson, Russell, and Tapio and Representatives Howard, Brunner, Campbell, Clark, Dennert, DiSanto, Frye-Mueller, Goodwin, Gosch, Heinemann, Jensen (Kevin), Johnson, Kaiser, Karr, Latterell, Livermont, Marty, May, Peterson (Sue), Pischke, Rasmussen, Rounds, and Schaefer

1 FOR AN ACT ENTITLED, An Act to provide property tax relief through the creation of the  
2 property tax relief fund.

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

4 Section 1. That § 4-7-43 be amended to read:

5 4-7-43. Notwithstanding the provisions of §§ 4-7-32 and 4-7-39, on July first of each fiscal  
6 year or at such time that the prior fiscal year general fund ending unobligated cash balance is  
7 determined, the commissioner of the Bureau of Finance and Management shall transfer all prior  
8 year unobligated cash as follows:

9 (1) If the combined cash balance is less than ten percent of the general fund  
10 appropriations from the general appropriations act for the prior year, an amount of  
11 unobligated cash shall be transferred to the budget reserve fund, so that the combined  
12 cash balance equals ten percent of the general appropriations from the general  
13 appropriations act for the prior year;



- 1       (2)    If the combined cash balance is equal to or greater than ten percent of the general
- 2            fund appropriations from the general appropriations act for the prior year, or there is
- 3            additional unobligated cash after the provisions in subdivision (1) are satisfied, an
- 4            amount of unobligated cash shall be transferred to the ~~building South Dakota fund,~~
- 5            ~~so that the collective BSDF cash balance does not exceed one percent of the general~~
- 6            ~~fund appropriations in the general appropriations act for the previous fiscal year~~
- 7            property tax relief fund, which is hereby created within the state treasury; and
- 8       (3)    If the ~~collective BSDF cash balance~~ property tax relief fund exceeds ~~one~~ five percent
- 9            of the general fund appropriations in the general appropriations act for the previous
- 10           year, or if there is additional unobligated cash remaining after the transfers in
- 11           subdivisions (1) and (2), the remaining unobligated cash shall be transferred to the
- 12           ~~budget reserve fund and general revenue replacement fund pursuant to the provisions~~
- 13           ~~of §§ 4-7-32 and 4-7-39~~ building South Dakota fund (BSDF), so that the collective
- 14           BSDF cash balance does not exceed one percent of the general fund appropriations
- 15           in the general appropriations act for the previous fiscal year; and
- 16       (4)    If the collective BSDF cash balance exceeds one percent of the general fund
- 17            appropriations in the general appropriations act for the previous year, or if there is
- 18            additional unobligated cash remaining after the transfers in subdivisions (1), (2), and
- 19            (3), the remaining unobligated cash shall be transferred to the budget reserve fund
- 20            and general revenue replacement fund pursuant to the provisions of §§ 4-7-32 and 4-
- 21            7-39.

22       Section 2. That chapter 4-7 be amended by adding a NEW SECTION to read:

23       On July first of each fiscal year, the state treasurer shall revert half of the property tax relief

24       fund to the counties to be used to provide property tax relief by reducing the amount of revenue

1 payable from taxes on real property pursuant to the levy imposed under § 10-12-8 in the  
2 following year. The funds allocated in this section shall be allocated to all counties based on  
3 each county's proportionate share of the total amount of revenue payable from taxes on real  
4 property in the preceding year.

5 Section 3. That § 10-13-35 be amended to read:

6 10-13-35. This section does not apply to school districts. For taxes payable in 1997, and  
7 each year thereafter, the total amount of revenue payable from taxes on real property within a  
8 taxing district, excluding the levy pursuant to § 10-13-36, may increase no more than the lesser  
9 of three percent or the index factor, as defined in § 10-13-38, over the amount of revenue  
10 payable from taxes on real property in the preceding year and the amount in section 2 of this  
11 Act, excluding the amount of taxes levied pursuant to § 10-13-36. After applying the index  
12 factor, a taxing district may increase the revenue payable from taxes on real property above the  
13 limitations provided by this section by the percentage increase of value resulting from any  
14 improvements or change in use of real property, annexation, minor boundary changes, and any  
15 adjustments in taxation of property separately classified and subject to statutory adjustments and  
16 reductions under chapters 10-4, 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed  
17 the same as property of equal value. A taxing district may increase the revenue it receives from  
18 taxes on real property above the limit provided by this section for taxes levied to pay the  
19 principal, interest, and redemption charges on any bonds issued after January 1, 1997, which are  
20 subject to referendum, scheduled payment increases on bonds and for a levy directed by the  
21 order of a court for the purpose of paying a judgment against such taxing district. Any taxing  
22 district created after the effective date of this section is exempt from the limitation provided by  
23 this section for a period of two years immediately following its creation.