

State of South Dakota

NINETY-FOURTH SESSION
LEGISLATIVE ASSEMBLY, 2019

346B0279

HOUSE EDUCATION ENGROSSED NO. **HB 1139** 2/13/2019

Introduced by: Representatives Gosch, Greenfield (Lana), Lake, Livermont, Marty, Qualm,
Schoenfish, and Weis and Senator Greenfield (Brock)

1 FOR AN ACT ENTITLED, An Act to repeal provisions regarding maximum taxes levied by
2 a school district for capital outlay.

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

4 Section 1. That § 13-16-7.2 be repealed.

5 ~~— 13-16-7.2. Starting with taxes payable in 2021, a school district is limited to the maximum~~
6 ~~taxes allowed pursuant to § 13-16-7 or two thousand eight hundred dollars for each enrolled~~
7 ~~student as determined in the fall enrollment count set forth in § 13-13-10.1 for the prior school~~
8 ~~year, whichever is less. For 2022 and subsequent years, the maximum amount for each enrolled~~
9 ~~student shall increase by the lesser of three percent or the index factor, as defined in § 10-13-38.~~

10 ~~— If a school district has irrevocably pledged taxes collected to the payment of principal and~~
11 ~~interest on installment purchase contracts or capital outlay certificates entered into or issued~~
12 ~~pursuant to § 13-16-6 or 13-16-6.2 or lease-purchase agreements or other arrangements with the~~
13 ~~Health and Educational Facilities Authority prior to July 1, 2016, that school district may raise~~
14 ~~taxes allowed pursuant to § 13-16-7 and this section in an amount necessary to fund those~~



1 ~~payments and obligations and to provide additional funding of up to two thousand eight hundred~~
2 ~~dollars for each enrolled student as determined in the fall enrollment count set forth in § 13-13-~~
3 ~~10.1. In no year may the annual tax levy provided in this section exceed the levy authorized~~
4 ~~under § 13-16-7.~~

5 Section 2. That § 13-16-7 be amended to read:

6 13-16-7. The school board of any school district of this state may at the board's discretion
7 authorize an annual levy of a tax not to exceed three dollars per thousand dollars of taxable
8 valuation on the taxable valuation of the district for the capital outlay fund for assets as defined
9 by § 13-16-6 or for the district's obligations under a resolution, lease-purchase agreement,
10 capital outlay certificate, or other arrangement with the Health and Educational Facilities
11 Authority. Taxes collected pursuant to the levy may be irrevocably pledged by the school board
12 to the payment of principal of and interest on installment purchase contracts or capital outlay
13 certificates entered into or issued pursuant to § 13-16-6 or 13-16-6.2 or lease-purchase
14 agreements or other arrangement with the Health and Educational Facilities Authority and, so
15 long as any capital outlay certificates are outstanding, installment agreement payments, lease-
16 purchase agreements, or other arrangements are unpaid, the school board of any district may be
17 compelled by mandamus or other appropriate remedy to levy an annual tax sufficient to pay
18 principal and interest thereon, but not to exceed the three dollars per thousand dollars of taxable
19 valuation in any year authorized to be levied hereby.

20 ~~—The total amount of revenue payable from the levy provided in this section may not increase~~
21 ~~annually by more than the lesser of three percent or the index factor, as defined in § 10-13-38,~~
22 ~~over the maximum amount of revenue that could have been generated from the taxes payable~~
23 ~~in 2016. After applying the index factor, a school district may increase the revenue payable from~~
24 ~~taxes on real property above the limitations provided by this section by the percentage increase~~

1 ~~of value resulting from any improvements or change in use of real property, annexation, minor~~
2 ~~boundary changes, and any adjustments in taxation of real property separately classified and~~
3 ~~subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A, and 10-6B,~~
4 ~~except § 10-6-31.4, only if assessed the same as property of equal value. A school district may~~
5 ~~increase the revenue the district receives from taxes on real property above the limit provided~~
6 ~~by this section for taxes levied to pay the principal, interest, and redemption charges on any~~
7 ~~bonds issued after January 1, 2009, which are subject to referendum, scheduled payment~~
8 ~~increases on bonds and for a levy directed by the order of a court for the purpose of paying a~~
9 ~~judgment against the school district. Any school district created or reorganized after January 1,~~
10 ~~2016, is exempt from the limitation provided by this section for a period of two years~~
11 ~~immediately following the district's creation.~~

12 In no year may the annual tax levy provided in this section exceed three dollars per thousand
13 dollars of taxable valuation of the school district for the current year.