

# State of South Dakota

SEVENTY-THIRD SESSION  
LEGISLATIVE ASSEMBLY, 1998

195B0053

## SENATE BILL NO. 91

Introduced by: Senators Rounds, Aker, Brosz, Brown (Arnold), Drake, and Lawler and  
Representatives Duenwald, Apa, Kooistra, Koskan, Monroe, Schaunaman, and  
Smidt

1 FOR AN ACT ENTITLED, An Act to revise the procedure for applying the index factor to the  
2 amount of revenue payable from taxes on real property within a taxing district.

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

4 Section 1. That § 10-13-35 be amended to read as follows:

5 10-13-35. This section does not apply to school districts. For taxes payable in 1997, and each  
6 year thereafter, the total amount of revenue payable from taxes on real property within a taxing  
7 district, excluding the levy pursuant to § 10-13-36, may increase no more than the lesser of three  
8 percent or the index factor, as defined in § 10-13-38, over the amount of revenue payable from  
9 taxes on real property in the preceding year, excluding the amount of taxes levied pursuant to  
10 § 10-13-36. If a taxing district chooses not to apply all or any portion of the index factor in any  
11 year, the unused portion shall carry forward and accumulate with the subsequent index factor.

12 After applying the index factor, a taxing district may increase the revenue payable from taxes on  
13 real property above the limitations provided by this section by the percentage increase of value  
14 resulting from any improvements or change in use of real property, annexation, minor boundary  
15 changes, and any adjustments in taxation of property separately classified and subject to statutory

1 adjustments and reductions under chapters 10-4, 10-6, 10-6A and 10-6B, except § 10-6-31.4,  
2 only if assessed the same as property of equal value. A taxing district may increase the revenue  
3 it receives from taxes on real property above the limit provided by this section for scheduled  
4 payment increases on bonded indebtedness incurred prior to December 31, 1995, and for a levy  
5 directed by the order of a court for the purpose of paying a judgment against such taxing district.  
6 Any taxing district created after the effective date of this section is exempt from the limitation  
7 provided by this section for a period of two years immediately following its creation.