

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

780E0443

## HOUSE BILL NO. 1086

Introduced by: Representative Napoli and Senator Drake

1 FOR AN ACT ENTITLED, An Act to permit municipalities to transfer certain revenues to  
2 school districts.

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

4 Section 1. That § 9-21-26.1 be amended to read as follows:

5 9-21-26.1. The governing body may by a two-thirds vote transfer the surplus money in any  
6 of the several funds to any other fund or funds or may appropriate ~~such~~ surplus money to the  
7 payment of any outstanding indebtedness of the municipality. In addition, the governing body  
8 may by a two-thirds vote transfer the surplus money in any fund to a public school district  
9 operating within the municipality. The school district may only accept such transfer if it is  
10 approved by a majority vote of the governing body of the school district. No money in any fund  
11 may be transferred unless a sufficient amount is left to pay all outstanding warrants drawn against  
12 the fund, together with any other indebtedness or contemplated expenditures from the fund for  
13 the current fiscal year. No money may be transferred from any sinking or interest fund unless  
14 sufficient money is left to pay all interest which may accrue on and the principal of all  
15 outstanding bonds. If there remains in the treasury of any municipality an unexpended balance

1 of any special fund, and all claims against such fund have been fully paid, and the purpose for  
2 which it was created has been fully served, and there remains no further use for ~~such~~ the balance  
3 for the purpose for which it was created, the governing board of the municipality may transfer  
4 ~~such~~ the balance to any other fund of the municipality or subdivision to which ~~such~~ the balance  
5 belongs. Enterprise funds are not construed to be special funds for purposes of this section.

6 Section 2. That § 9-21-28 be amended to read as follows:

7 9-21-28. ~~Authority is hereby granted to all municipalities to~~ Each municipality may transfer  
8 surplus funds accumulated through special municipal revenue producing enterprises to public  
9 school districts operating within the municipality, ~~provided~~ such ~~the~~ transfer of funds ~~shall be~~  
10 is made through a majority vote of the governing body of the municipality and accepted by a  
11 majority vote of the governing body of ~~such~~ the school district.

12 No funds ~~shall~~ may be transferred that are acquired through ~~legal~~ a property tax levy in the  
13 municipality. All such funds shall be transferred ~~by the school district~~ to the general fund of ~~such~~  
14 the school district.

15 Section 3. That § 10-52-2 be amended to read as follows:

16 10-52-2. Any incorporated municipality within this state may impose any non-ad valorem tax  
17 in accordance with the provisions of this chapter, except upon fuel used for motor vehicles, by  
18 ordinance enacted by its local governing board. However, no tax may be levied on the sale, use,  
19 storage and consumption of items taxed under chapters 10-45 and 10-46, unless such tax  
20 conforms in all respects to the state tax on such items with the exception of the rate, and the rate  
21 levied does not exceed two percent.

22 If a municipality increases its tax rate above one percent, the revenue generated from the tax  
23 increase may only be used for capital improvement, to include lease-purchase agreements of  
24 realty, land acquisition, the funding of public ambulances and medical emergency response

1 vehicles, public school districts, public hospitals, or nonprofit hospitals with fifty or fewer  
2 licensed beds, and other public health care facilities or nonprofit health care facilities with fifty  
3 or fewer licensed beds, the transfer to the special 911 fund authorized by § 34-45-12, the  
4 purchasing of fire fighting vehicles and equipment, debt retirement and the minor rehabilitation,  
5 major rehabilitation, or reconstruction of streets as defined in the June, 1994, South Dakota  
6 Department of Transportation Pavement Condition Survey Guide for City Streets.