

# State of South Dakota

SEVENTY-EIGHTH SESSION  
LEGISLATIVE ASSEMBLY, 2003

299I0749

## HOUSE BILL NO. 1251

Introduced by: Representative Gassman and Senator Kloucek

1 FOR AN ACT ENTITLED, An Act to allow school districts to pay property insurance  
2 premiums and charges for utilities from their capital outlay funds.

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

4 Section 1. That § 13-16-6 be amended to read as follows:

5 13-16-6. The capital outlay fund of the school district is a fund provided by law to meet  
6 expenditures which result in the acquisition or lease of or additions to real property, plant, or  
7 equipment. Such an expenditure shall be for land, existing facilities, improvement of grounds,  
8 construction of facilities, additions to facilities, remodeling of facilities, or for the purchase or  
9 lease of equipment. It may also be used for installment or lease-purchase payments for the  
10 purchase of real property, plant or equipment, which have a contracted terminal date not  
11 exceeding twenty years from the date of the installment contract or lease-purchase and for the  
12 payment of the principal of and interest on capital outlay certificates issued pursuant to  
13 § 13-16-6.2.

14 Any purchase of one thousand dollars or less may be paid out of the general fund. The total  
15 accumulated unpaid principal balances of such installment contracts and lease-purchase and the  
16 outstanding principal amounts of such capital outlay certificates may not exceed three percent



1 of the taxable valuation. The school district shall provide a sufficient levy each year under the  
2 provisions of § 13-16-7 to meet the annual installment contract, lease-purchase and capital outlay  
3 certificate payments, including interest.

4 A school district which contracts its student transportation may expend from the capital  
5 outlay fund an amount not to exceed fifteen percent of the contract amount.

6 The capital outlay fund may be used to purchase textbooks and instructional software.

7 The capital outlay fund may be used to purchase warranties on capital assets if the warranties  
8 do not include supplies.

9 The capital outlay fund may be used to pay property insurance premiums and the charges for  
10 all public utilities.