

State of South Dakota

SEVENTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2003

294I0402

SENATE BILL NO. 150

Introduced by: Senators Olson (Ed), Duenwald, and Symens and Representatives Olson (Mel), Sebert, and Wick

1 FOR AN ACT ENTITLED, An Act to authorize counties to increase the property tax levy in
2 unorganized townships under certain conditions.

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. After applying the index factor, a taxing district may increase the revenue payable
11 from taxes on real property above the limitations provided by this section by the percentage
12 increase of value resulting from any improvements or change in use of real property, annexation,
13 minor boundary changes, and any adjustments in taxation of property separately classified and
14 subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A, and 10-6B,
15 except § 10-6-31.4, only if assessed the same as property of equal value. A taxing district may



1 increase the revenue it receives from taxes on real property above the limit provided by this
2 section for taxes levied to pay the principal, interest, and redemption charges on any bonds
3 issued after January 1, 1997, which are subject to referendum, scheduled payment increases on
4 bonds and for a levy directed by the order of a court for the purpose of paying a judgment
5 against such taxing district. Any taxing district created after the effective date of this section is
6 exempt from the limitation provided by this section for a period of two years immediately
7 following its creation. If a township is abolished pursuant to § 8-1-23, the newly unorganized
8 area of the county not included in any municipality, organized civil township, or county road
9 district organized pursuant to chapter 31-12A is considered a new taxing district for the purpose
10 of allowing the county to levy taxes on real property for maintaining secondary roads in such
11 area as required by § 31-12-26 and providing fire protection authorized by chapter 8-2.

12 Section 2. That § 10-13-36 be amended to read as follows:

13 10-13-36. The governing body of a taxing district may exceed the limit pursuant to
14 § 10-13-35 through the imposition of an excess tax levy. The governing body of a taxing district
15 may impose an excess tax levy with an affirmative two-thirds vote of the governing body on or
16 before July fifteenth of the year prior to the year the taxes are payable. On any excess tax levy
17 approved after July 1, 2002, the governing body of the taxing district shall specify in the
18 resolution the year or number of years the excess tax levy will be applied.

19 The requirements for an announcement made pursuant to this section are as follows:

- 20 (1) The decision of the governing body to originally impose or subsequently increase an
21 excess tax levy shall be published within ten days of the decision;
- 22 (2) Publication shall be made at least twice in the legal newspaper designated by the
23 governing body pursuant to law, with no fewer than five days between publication
24 dates, before the opt out takes effect;

1 (3) The announcement shall be at least three newspaper columns in width and four inches
2 in length or at least one-sixth of a page in size, whichever size is greater;

3 (4) The announcement shall be headed with the following statement in a typeface no less
4 than eighteen point type: "ATTENTION TAXPAYERS: NOTICE OF PROPERTY
5 TAX INCREASE OF \$(fill in amount)." The remainder of the announcement shall
6 consist of a reproduction of the "Resolution for Opt Out," including the amount that
7 property taxes will be increased annually by the proposed opt out and a statement of
8 the right to refer the decision of the board to a vote of the people as provided in this
9 section. The secretary of revenue, in rules promulgated pursuant to chapter 1-26, shall
10 prescribe a uniform form to be used by the taxing district for notification of taxpayers
11 as required by this section.

12 However, the requirements of subdivisions (3) and (4) shall be waived if:

13 (A) The opt out is for less than fifteen thousand dollars; or

14 (B) A copy of the resolution for opt out is mailed to every property taxpayer in the local
15 governmental unit, by first class mail or bulk mail, within twenty days of the decision
16 to opt out; and

17 (C) A copy of the resolution for opt out is printed in each official newspaper in the local
18 governmental unit's boundaries.

19 For the purposes of subsections (A), (B), and (C), the first publication is not deemed to have
20 occurred until three days after the mailing is sent or the resolution is delivered to the official
21 newspaper.

22 The opt out decision may be referred to a vote of the people upon a petition signed by at
23 least five percent of the registered voters in the taxing district and filed with the respective
24 governing body within twenty days of the first publication of the decision. The referendum

1 election shall be held on or before October first preceding the year the taxes are payable. If the
2 opt out is for the purpose of increasing the secondary road levy pursuant to § 31-12-27, only the
3 registered voters within the area of the county not included in any municipality, organized civil
4 township, or county road district organized pursuant to chapter 31-12 may petition or vote on
5 the referred decision. The taxing districts may not exceed the levy limits provided in chapter
6 10-12 except for the provisions in § 10-12-36.