

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

456J0179

HOUSE BILL NO. 1242

Introduced by: Representatives Frost, Begalka, Hargens, Hundstad, and Novstrup and
Senators Dempster, de Hueck, Dennert, and Symens

1 FOR AN ACT ENTITLED, An Act to revise the provisions concerning the budget limitations
2 for certain local governments.

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~~ 2005,
6 and each year thereafter, the total amount of revenue payable from taxes on real property within
7 a taxing district, excluding the levy pursuant to § 10-13-36, may increase no more than the
8 ~~lesser~~ greater of ~~three~~ four percent or the index factor, as defined in § 10-13-38, over the amount
9 of revenue payable from taxes on real property in the preceding year, excluding the amount of
10 taxes levied pursuant to § 10-13-36. After applying the index factor, a taxing district may
11 increase the revenue payable from taxes on real property above the limitations provided by this
12 section by the percentage increase of value resulting from any improvements or change in use
13 of real property, annexation, minor boundary changes, and any adjustments in taxation of
14 property separately classified and subject to statutory adjustments and reductions under chapters
15 10-4, 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal



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

13 Section 2. That § 10-13-35 be amended to read as follows:

14 10-13-35. This section does not apply to school districts. For taxes payable in ~~1997~~ 2006,
15 and each year thereafter, the total amount of revenue payable from taxes on real property within
16 a taxing district, excluding the levy pursuant to § 10-13-36, may increase no more than the
17 ~~lesser~~ greater of ~~three~~ five percent or the index factor, as defined in § 10-13-38, over the amount
18 of revenue payable from taxes on real property in the preceding year, excluding the amount of
19 taxes levied pursuant to § 10-13-36. After applying the index factor, a taxing district may
20 increase the revenue payable from taxes on real property above the limitations provided by this
21 section by the percentage increase of value resulting from any improvements or change in use
22 of real property, annexation, minor boundary changes, and any adjustments in taxation of
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13 Section 3. That section 2 of this Act is effective on July 1, 2005.

14 Section 4. That § 10-13-44 be amended to read as follows:

15 10-13-44. The property tax reduction fund is hereby created in the state treasury. The
16 Department of Revenue and Regulation shall distribute any money appropriated to the fund.
17 ~~Effective January 1, 1996, through December 31, 1996, the State of South Dakota may remit~~
18 ~~tax credit payments on a monthly basis for eligible property taxpayers on or about the last day~~
19 ~~of every month. Tax credit payments shall be sent to counties based upon information received~~
20 ~~from the counties pursuant to § 10-13-43.~~ In fiscal year 1997 and each year thereafter, the
21 commissioner of finance and management may transfer moneys available from the property tax
22 reduction fund to the general fund necessary to provide property tax relief through state aid to
23 education.