

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

708J0728

HOUSE BILL NO. 1281

Introduced by: Representative Cradduck and Senator Jaspers

1 FOR AN ACT ENTITLED, An Act to provide for certain property tax exemptions for business
2 incubators owned by nonprofits.

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

4 Section 1. That chapter 10-4 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 Any business incubator owned or leased and operated by a local economic development
7 organization is eligible for an exemption from certain property taxes as provided in this section.
8 The governing body of the county, municipality, or school district in which the property is
9 located may approve a tax exemption by resolution after a determination of eligibility, public
10 notice, and a hearing. If any governing body intends to grant more than one exemption for
11 business incubators, the governing body shall adopt a separate resolution for each business
12 incubator within its jurisdiction. No governing body may grant approval for the business
13 incubator until all of the applicant's taxes have been paid in full. If the property is leased to a
14 business incubator, no governing body may grant approval until all of the owner's property taxes
15 on that property have been paid in full. Payment of taxes under protest does not preclude
16 approval. Prior to holding the hearing, the governing body shall determine that the local



1 economic development organization:

2 (1) Is a private, nonprofit corporation and is exempt from taxation pursuant to section
3 501(c)(3), 501(c)(4), or 501(c)(6) of the Internal Revenue Code as of January 1,
4 2004;

5 (2) Is engaged in economic development and business assistance work in the area; and

6 (3) Owns or leases and operates or will operate the business incubator.

7 The tax exemption described in this section applies only to the taxes levied by the governing
8 body approving the exemption over which the governing body has the ability to levy a property
9 tax upon.