

State of South Dakota

SEVENTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2004

762J0026

SENATE BILL NO. 118

Introduced by: Senators Moore and Napoli and Representatives Olson (Mel) and Nesselhuf

1 FOR AN ACT ENTITLED, An Act to delay the implementation of the Streamlined Sales Tax
2 Agreement for municipalities and to declare an emergency.

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

4 Section 1. That § 10-52-3 be amended to read as follows:

5 10-52-3. Any tax imposed by the governing board of any municipality pursuant to the
6 provisions of this chapter, may be referred to a vote of the people for its approval or disapproval
7 in the same manner as provided in §§ 9-20-7, 9-20-8, and 9-20-10. A tax imposed by municipal
8 ordinance which was in effect on December 31, ~~2003~~ 2005, is continued under the provisions
9 of this chapter if:

10 (1) The governing board of the municipality has reviewed the existing tax ordinance to
11 determine compliance with the provisions of this chapter; and

12 (2) The governing board of the municipality documents the review, any amendment, and
13 the intent to continue the tax in the official minutes of the governing board.

14 Any amendment made by the municipality to comply with the provisions of chapter 10-45C,
15 §§ 10-1-44.3, 10-45-1 to 10-45-1.4, inclusive, 10-45-2.3, 10-45-3, 10-45-3.4, 10-45-5,
16 10-45-5.3, 10-45-8, 10-45-24, 10-45-30, 10-45-61, 10-45-108 and 10-45-109, 10-46-1,



1 10-46-17.6, 10-52-2, 10-52-2.10, 10-52-3, 10-52-9, 10-52-13 to 10-52-16, inclusive, and
2 10-59-27 or the determination to continue the tax under the provisions of this chapter is deemed
3 to be an administrative decision pursuant to § 9-20-19 and is not subject to referendum.

4 Section 2. That § 10-52-2.10 be amended to read as follows:

5 10-52-2.10. Any incorporated municipality imposing a non-ad valorem tax in accordance
6 with § 10-52-2 may issue municipal non-ad valorem tax revenue bonds pursuant to this section
7 and chapter 6-8B in anticipation of the collection of the taxes. The bonds shall be payable solely
8 from the collections of the taxes imposed by the municipality under § 10-52-2, as determined
9 by the governing body. The governing body shall, in the resolution or ordinance authorizing the
10 bonds, agree that it will continue to impose and collect the taxes so long as the bonds are
11 outstanding. The governing body shall also pledge so much of the collections of the taxes as
12 may be necessary to pay the principal premium and interest on the bonds and to maintain any
13 debt service reserve established for the bonds. For bonds issued prior to January 1, ~~2004~~ 2006,
14 the proceeds of the bonds may be used for land acquisition, the funding of public ambulances
15 and medical emergency response vehicles, public hospitals or nonprofit hospitals with fifty or
16 fewer licensed beds and other public health care facilities or nonprofit health care facilities with
17 fifty or fewer licensed beds, capital asset acquisition and capital improvements, to establish a
18 debt service reserve fund for the bonds and to pay not more than one year's capitalized interest
19 on the bonds.

20 No election is required to authorize the issuance of municipal non-ad valorem tax revenue
21 bonds. The bonds shall be issued and sold as provided in chapter 6-8B.

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

23 10-52-15. The Legislature hereby finds that the amendments to chapter 10-52 contained in
24 SL 2002, ch 64, will result in a broader and more uniform tax base for the sales tax levied by

1 municipalities under this chapter, and that, absent a reduction in the current tax levy of a
2 municipality, it is anticipated that total sales tax revenues of a municipality may increase as a
3 result of these amendments. However, so long as a municipality has any bonds or other
4 obligations outstanding which are secured directly or indirectly by the pledge or collection and
5 application of sales taxes levied pursuant to chapter 10-52 as in effect immediately prior to
6 January 1, ~~2004~~ 2006, no municipality may reduce its tax levy under chapter 10-52 to a rate
7 which, in the exercise of the sound discretion of the governing body, would be expected to
8 produce less total revenue than was collected in the immediately preceding year.

9 Section 4. That sections 21 and 22 of chapter 61 of the 2003 Session Laws be repealed.

10 Section 5. Sections 1 to 4 of this Act, inclusive, are effective on April 1, 2004.

11 Section 6. Whereas, this Act is necessary for the support of the state government and its
12 existing public institutions, an emergency is hereby declared to exist, and this Act shall be in
13 full force and effect from and after its passage and approval.