

AN ACT

ENTITLED, An Act to revise the criteria for congregate housing to be exempt from property taxation.

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

Section 1. That § 10-4-9.3 be amended to read as follows:

10-4-9.3. Property owned by any corporation, organization, or society and used primarily for human health care and health care related purposes is exempt from taxation. Such corporation, organization or society shall be nonprofit and recognized as an exempt organization under section 501(c)(3) of the United States Internal Revenue Code, as amended, and in effect on January 1, 2004, and none of its assets may be available to any private interest. The property shall be a health care facility licensed pursuant to chapter 34-12, orphanage, mental health center or adjustment training center regulated under chapter 27A-5, or camp. The facility shall admit all persons for treatment consistent with the facility's ability to provide health care services required by the patient until the facility is filled to its ordinary capacity and conform to all applicable regulations of and permit inspections by the state as otherwise provided by law.

Section 2. That chapter 10-4 be amended by adding thereto a NEW SECTION to read as follows:

Any congregate housing facility owned by a corporation, organization, or society is exempt from certain property taxes, if the facility provides certain health care services and is recognized as an exempt nonprofit corporation, organization, or society under section 501(c)(3) of the United States Internal Revenue Code, as of January 1, 2004, and if none of its assets are available to any private interest. A congregate housing facility does provide health care services if the facility is an independent group-living environment operated and owned by a health care facility licensed pursuant to chapter 34-12 which offers a continuum of care, residential accommodations, and supporting services primarily for persons at least sixty-two years of age or disabled as defined pursuant to

chapter 10-6A. Supporting services include the ability to provide health care and a food service that satisfies a balanced nutrition program. As part of the statement required by § 10-4-19, the owner of the congregate housing facility shall submit a statement to the county director of equalization listing the health care services provided and method used to satisfy the balanced nutrition program.

In addition, no owner may apply for a property tax exemption for a congregate housing facility constructed after July 1, 2004, unless the congregate housing facility:

- (1) Consists of two or more individual housing units located within one structure; and
- (2) Not more than twenty-five percent of the individual housing units exceed fifteen hundred square feet.

Section 3. That chapter 10-4 be amended by adding thereto a NEW SECTION to read as follows:

For the purposes of section 2 of this Act, the term, continuum of care, means the ability of a licensed health care facility to provide living accommodations to any resident living in a congregate housing facility owned by such health care facility. If the resident requires additional health care services, the health care facility shall have sufficient facilities to permit residents to move into another level of care. This section does not require such health care facility to necessarily offer services normally provided by a hospital.

Section 4. That § 10-4-12 be amended to read as follows:

10-4-12. If property owned by any health care organization or charitable, benevolent, or religious society described in section 2 of this Act and §§ 10-4-9 to 10-4-9.3, inclusive, other than agricultural land, is used partly by such health care organization or charitable, benevolent, or religious society for health care, charitable, benevolent, or religious purposes, and the remaining part is occupied, rented, or used for other than health care, charitable, benevolent, or religious purposes, the portion of property that is so occupied, rented, or used for other purposes, shall be taxed as other property of the same class is taxed. For the purpose of determining the value of the taxable portion of the

property, the appraised value of the entire property shall be multiplied by the percentage of the entire property used for other than health care, charitable, benevolent, or religious purposes. The resulting value shall be multiplied by the percentage of time the property is used for other than health care, charitable, benevolent, or religious purposes. The resulting value shall be the assessed value for taxation purposes.

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I certify that the attached Act
originated in the

SENATE as Bill No. 3

Secretary of the Senate

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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 3
File No. _____
Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State