

# State of South Dakota

EIGHTIETH SESSION  
LEGISLATIVE ASSEMBLY, 2005

735L0735

## SENATE ENGROSSED NO. **HB 1203** - 02/25/2005

Introduced by: Representatives Murschel and Wick and Senator Earley

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the distribution of the  
2 tax imposed on financial institutions.

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

4 Section 1. That § 10-43-77 be amended to read as follows:

5 10-43-77. The county treasurer upon receipt of ~~such~~ the funds, remitted to the county  
6 pursuant to § 10-43-76 and section 2 of this Act, shall apportion and distribute the funds  
7 between the taxing subdivisions, including the county, in the same proportion as the average of  
8 personal property taxes assessed in each taxing subdivision, including the county, for calendar  
9 years 1972, 1973, 1974, 1975, and 1976 were distributed as determined and certified by the  
10 secretary of revenue and regulation.

11 ~~For school districts operating during the years 1972 to 1976, inclusive, that reorganize, the~~  
12 ~~funds shall be apportioned and distributed to the successor districts in the same manner and~~  
13 ~~proportion as they were distributed prior to reorganization. For any school district affected by~~  
14 a consolidation on or after July 1, 2003, as defined in § 13-6-1, the successor school district  
15 shall receive the funds allocated to each of the former school districts. For any school district  
16 eliminated or subdivided by a reorganization on or after July 1, 2003, as defined in § 13-6-1,



1 each successor school district shall receive a portion of the funds allocated to the former school  
2 district. Each successor school district's portion of the funds shall be based upon the percentage  
3 of the total taxable valuation of the former school district transferred to the successor school  
4 district, at the time of the reorganization. Any amount received by the county and taxing  
5 subdivisions pursuant to this section may upon receipt be used to support the functions of such  
6 taxing subdivision.

7 Section 2. That chapter 10-43 be amended by adding thereto a NEW SECTION to read as  
8 follows:

9 A financial institution may deposit with the secretary of revenue and regulation an amount  
10 determined by the financial institution to be applied toward the future tax liability of the  
11 financial institution under this chapter to the extent of the share of the tax the state would be  
12 required to remit to the county. The secretary of revenue and regulation shall remit, as provided  
13 in § 10-43-76, the amount of the deposit to the county or counties where the financial institution  
14 does business. The secretary of revenue and regulation shall record any deposit received  
15 pursuant to this section as a credit toward the future tax liability of the financial institution. No  
16 interest may accrue on any deposit received pursuant to this section.

17 If any amount deposited pursuant to this section is not applied to the financial institution's  
18 tax liability under this chapter within ten years of the date of deposit, the secretary of revenue  
19 and regulation shall refund the amount of any remaining deposit to the financial institution.