

State of South Dakota

EIGHTY-NINTH SESSION
LEGISLATIVE ASSEMBLY, 2014

258V0018

SENATE BILL NO. 8

Introduced by: Senators Rhoden, Frerichs, and Sutton and Representatives Cronin, Bartling, Mickelson, and Peterson at the request of the Agricultural Land Assessment Implementation and Oversight Advisory Task Force

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the assessment and
2 taxation of real property.

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

4 Section 1. That § 13-10-6 be amended to read as follows:

5 13-10-6. For the purpose of continuing a fund for the payment of pensions to retired
6 employees of a school district that has established such system, the school district may levy an
7 annual tax not exceeding thirty cents per thousand dollars of taxable valuation of the school
8 district for the current year. The levy may not be included in determining the tax levy limitation
9 of the school district provided by law. Moneys collected from the tax shall be kept by the
10 business manager in a special pension fund and may not be used for any other purpose except
11 upon discontinuance of the pension system by the school district, in which case any unexpended
12 balance shall be transferred to the general fund.

13 For taxes payable in 2011, the total amount of revenue payable from the levy provided in
14 this section may not increase more than the lesser of three percent or the index factor, as defined



1 in § 10-13-38, over the maximum amount of revenue that could have been generated for the
2 taxes payable in 2010. After applying the index factor, a school district may increase the revenue
3 payable from taxes on real property above the limitations provided by this section by the
4 percentage increase of value resulting from any improvements or change in use of real property,
5 annexation, minor boundary changes, and any adjustments in taxation of real property separately
6 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,
7 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value.

8 For taxes payable in 2012, ~~2013, 2014, and 2015~~, to 2019, inclusive, the total amount of
9 revenue payable from the levy provided in this section may not increase more than the lesser of
10 three percent or the index factor, as defined in § 10-13-38, over the maximum amount of
11 revenue that could have been generated for the taxes payable in 2010 plus any unused index
12 factor from the previous years. After applying the index factor, a school district may increase
13 the revenue payable from taxes on real property above the limitations provided by this section
14 by the percentage increase of value resulting from any improvements or change in use of real
15 property, annexation, minor boundary changes, and any adjustments in taxation of real property
16 separately classified and subject to statutory adjustments and reductions under chapters 10-4,
17 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal
18 value.

19 Any school district created or reorganized after January 1, 2009, is exempt from the
20 limitation provided by this section for a period of two years immediately following its creation.

21 For taxes payable in 2011, ~~2012, 2013, 2014, and 2015~~, to 2019, inclusive, the levy
22 limitation of thirty cents per thousand dollars of taxable valuation does not apply to any school
23 district.

24 Section 2. That § 13-16-7 be amended to read as follows:

1 13-16-7. The school board of any school district of this state may at its discretion authorize
2 an annual levy of a tax not to exceed three dollars per thousand dollars of taxable valuation on
3 the taxable valuation of the district for the capital outlay fund for assets as defined by § 13-16-6
4 or for its obligations under a resolution, lease-purchase agreement, capital outlay certificate, or
5 other arrangement with the Health and Educational Facilities Authority. Taxes collected
6 pursuant to such levy may be irrevocably pledged by the school board to the payment of
7 principal of and interest on installment purchase contracts or capital outlay certificates entered
8 into or issued pursuant to § 13-16-6 or 13-16-6.2 or lease-purchase agreements or other
9 arrangement with the Health and Educational Facilities Authority and, so long as any capital
10 outlay certificates are outstanding, installment agreement payments, lease-purchase agreements,
11 or other arrangements are unpaid, the school board of any district may be compelled by
12 mandamus or other appropriate remedy to levy an annual tax sufficient to pay principal and
13 interest thereon, but not to exceed the three dollars per thousand dollars of taxable valuation in
14 any year authorized to be levied hereby.

15 For taxes payable in 2011, the total amount of revenue payable from the levy provided in
16 this section may not increase more than the lesser of three percent or the index factor, as defined
17 in § 10-13-38, over the maximum amount of revenue that could have been generated for the
18 taxes payable in 2010. After applying the index factor, a school district may increase the revenue
19 payable from taxes on real property above the limitations provided by this section by the
20 percentage increase of value resulting from any improvements or change in use of real property,
21 annexation, minor boundary changes, and any adjustments in taxation of real property separately
22 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,
23 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value. A school
24 district may increase the revenue it receives from taxes on real property above the limit provided

1 by this section for taxes levied to pay the principal, interest, and redemption charges on any
2 bonds issued after January 1, 2009, which are subject to referendum; for scheduled payment
3 increases on bonds, and for a levy directed by the order of a court for the purpose of paying a
4 judgment against the school district. Any school district created or reorganized after January 1,
5 2009, is exempt from the limitation provided by this section for a period of two years
6 immediately following its creation.

7 For taxes payable in 2012, ~~2013, 2014, and 2015~~, to 2019, inclusive, the total amount of
8 revenue payable from the levy provided in this section may not increase more than the lesser of
9 three percent or the index factor, as defined in § 10-13-38, over the maximum amount of
10 revenue that could have been generated for the taxes payable in 2010 plus any unused index
11 factor from the previous years. After applying the index factor, a school district may increase
12 the revenue payable from taxes on real property above the limitations provided by this section
13 by the percentage increase of value resulting from any improvements or change in use of real
14 property, annexation, minor boundary changes, and any adjustments in taxation of real property
15 separately classified and subject to statutory adjustments and reductions under chapters 10-4,
16 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal
17 value. A school district may increase the revenue it receives from taxes on real property above
18 the limit provided by this section for taxes levied to pay the principal, interest, and redemption
19 charges on any bonds issued after January 1, 2009, which are subject to referendum, scheduled
20 payment increases on bonds and for a levy directed by the order of a court for the purpose of
21 paying a judgment against such school district. Any school district created or reorganized after
22 January 1, 2009, is exempt from the limitation provided by this section for a period of two years
23 immediately following its creation.

24 For taxes payable in 2011, ~~2012, 2013, 2014, and 2015~~, to 2019, inclusive, the levy

1 limitation of three dollars per thousand dollars of taxable valuation does not apply to any school
2 district.

3 Section 3. That § 13-16-7.1 be amended to read as follows:

4 13-16-7.1. For taxes payable in 2014 ~~and 2015~~ to 2019, inclusive, the provisions of §§ 13-
5 10-6 and 13-16-7 that limit the maximum amount of revenue that may be generated by the
6 pension and capital outlay tax levies do not apply to any school district that has less than a ten
7 percent change in the total taxable valuation from the previous year of all real property in the
8 school district, not including the increase of value resulting from any improvements or change
9 in use of real property.

10 Section 4. That section 4 of chapter 40 of the 2009 Session Laws and section 3 of chapter
11 44 of the 2008 Session Laws be repealed.

12 Section 5. That § 10-6-31 be amended to read as follows:

13 10-6-31. For the purposes of taxation, all property is hereby classified into the following
14 classes:

- 15 (1) Agricultural property;
- 16 (2) Nonagricultural property; and
- 17 (3) Owner-occupied single-family dwellings; ~~and~~
- 18 ~~(4) Nonagricultural acreage property.~~

19 Agricultural property includes all property and land used exclusively for agricultural
20 purposes, both tilled and untilled, and the improvements on the land. However, agricultural
21 property does not include any normally occupied dwelling or automobile garage or portion of
22 a building used for that purpose by the occupant of such dwelling. Owner-occupied single-
23 family dwellings include all property classified pursuant to § 10-13-39 ~~and nonagricultural~~
24 ~~acreage property includes all property classified pursuant to § 10-6-33.14.~~

- 1 Nonagricultural property includes all other property not otherwise classified.
- 2 The director of equalization in listing and assessing all property to which this section applies
- 3 shall designate opposite each description the class to which the property belongs.