



2020 South Dakota Legislature

House Bill 1198

HOUSE EDUCATION ENGROSSED

Introduced by: **Representative** Gosch

1 **An Act to provide an excess levy for the capital outlay fund.**

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

3 **Section 1.** That § 13-16-7 be AMENDED:

4 **13-16-7. Additional tax levy for certain funds or obligations--Pledge of**
 5 **taxes--Limitations.**

6 The school board of any a school district of this state ~~may at the board's discretion~~
 7 ~~authorize an annual levy of a tax not to exceed three dollars per thousand dollars of~~
 8 ~~taxable valuation on the taxable valuation of the district for~~ may by resolution and upon
 9 a two-thirds vote provide for the imposition of an excess tax levy.

10 The resolution shall identify:

11 (1) The total amount to be levied;

12 (2) The number of years that the levy will be applied; and

13 (3) The maximum levy to be applied against the taxable valuation of:

14 (a) Agricultural property;

15 (b) Nonagricultural property; and

16 (c) Owner-occupied single-family dwellings.

17 The revenue generated must be deposited into the capital outlay fund for assets,
 18 as defined by § 13-16-6, or for the district's obligations under a resolution, lease-purchase
 19 agreement, capital outlay certificate, or other arrangement with the Health and
 20 Educational Facilities Authority.

21 The board must mail a copy of the resolution to every property owner in the district,
 22 within twenty days of the board's vote to impose the levy under this section.

23 If the board, within ninety days of the board's vote to impose the levy under this
 24 section, receives a petition signed by registered voters of the district equal in number to
 25 at least fifteen percent of those who voted in the last school board election, the board

1 shall schedule a referendum election on or before October first of the year prior to that
2 for which the taxes are payable.

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

13 ~~The total amount of revenue payable from the levy provided in this section may not~~
14 ~~increase annually by more than the lesser of three percent or the index factor, as defined~~
15 ~~in § 10-13-38, over the maximum amount of revenue that could have been generated~~
16 ~~from the taxes payable in 2016. After applying the index factor, a school district may~~
17 ~~increase the revenue payable from taxes on real property above the limitations provided~~
18 ~~by this section by the percentage increase of value resulting from any improvements or~~
19 ~~change in use of real property, annexation, minor boundary changes, and any adjustments~~
20 ~~in taxation of real property separately classified and subject to statutory adjustments and~~
21 ~~reductions under chapters 10-4, 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if~~
22 ~~assessed the same as property of equal value. A school district may increase the revenue~~
23 ~~the district receives from taxes on real property above the limit provided by this section~~
24 ~~for taxes levied to pay the principal, interest, and redemption charges on any bonds issued~~
25 ~~after January 1, 2009, which are subject to referendum, scheduled payment increases on~~
26 ~~bonds and for a levy directed by the order of a court for the purpose of paying a judgment~~
27 ~~against the school district. Any school district created or reorganized after January 1,~~
28 ~~2016, is exempt from the limitation provided by this section for a period of two years~~
29 ~~immediately following the district's creation.~~

30 ~~In no year may the annual tax levy provided in this section exceed three dollars per~~
31 ~~thousand dollars of taxable valuation of the school district for the current year.~~

32 **Section 2.** That § 13-16-7.2 be REPEALED.

33 **13-16-7.2. Maximum taxes--Pledge of taxes.**