



2020 South Dakota Legislature

House Bill 1099

HOUSE TAXATION ENGROSSED

Introduced by: **Representative** York

1 **An Act to authorize counties to impose a temporary voter-approved half-cent sales**
 2 **and use tax and to issue revenue bonds to fund certain county infrastructure**
 3 **construction.**

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

5 **Section 1.** That a NEW SECTION be added:

6 **10-52B-1. County non-ad valorem tax--Rate--Restriction--Conformance to**
 7 **state tax.**

8 For a purpose authorized under the provisions of this chapter, the board of county
 9 commissioners may, by a resolution approved by registered voters in accordance with the
 10 provisions of this chapter, impose a temporary non-ad valorem tax at a rate not to exceed
 11 one-half percent on the sale, use, storage, and consumption in the county of the same
 12 items subject to state tax under chapters 10-45 and 10-46. A county may not have more
 13 than one tax in effect under this section, and any tax imposed under this section must
 14 conform in all respects to the state tax with the exception of the rate.

15 **Section 2.** That a NEW SECTION be added:

16 **10-52B-2. Purposes for imposition of tax--Definitions--Use of revenue.**

17 A tax may only be imposed under the provisions of this chapter for the following
 18 purpose:

- 19 (1) To make payment on or to establish a debt reserve fund on a new or existing bond
 20 issue that is issued for the purpose of renovating or replacing either a building or
 21 structure described in §§ 7-25-1 and 7-25-3, or a facility designed to reduce jail
 22 incarceration; or
 23 (2) To contribute funds to another county for the purpose of sharing expenses for the
 24 renovation or replacement of either a building or structure described in §§ 7-25-1
 25 and 7-25-3, or a facility designed to reduce jail incarceration.

1 For purposes of this chapter, a facility designed to reduce jail incarceration means
2 a structure that provides an appropriate venue for programs and activities designed to
3 reduce incarceration.

4 Unless otherwise provided in this chapter, any revenue generated from a tax
5 imposed pursuant to this chapter may only be applied to the purpose of the tax as stated
6 in the resolution.

7 **Section 3.** That a NEW SECTION be added:

8 **10-52B-3. Content of resolution.**

9 The resolution required under this chapter must include the following content:

- 10 (1) A statement that the tax is levied on the sale, use, storage and consumption in the
11 county on the same items subject to tax under chapters 10-45 and 10-46;
12 (2) The rate of the tax;
13 (3) The purpose of the tax, including a clear description of the building, structure, or
14 facility to be renovated or replaced if the resolution is approved; and
15 (4) The maximum number of years the tax will be imposed or the latest date the tax
16 will expire.

17 **Section 4.** That a NEW SECTION be added:

18 **10-52B-4. Procedures for approving resolution--Notification after approval--**
19 **Effective date of resolution.**

20 The procedures for approving a resolution for the imposition of a tax under this
21 chapter are the same as the procedures applicable when a petition to refer a resolution
22 has been filed under § 7-18A-15. If the resolution is approved, the board of commissioners
23 shall notify the secretary of revenue of such approval in writing by registered or certified
24 mail and include a copy of the approved resolution with the mailing.

25 Notwithstanding §§ 7-18A-8 and 7-18A-14, the effective date of any new
26 resolution or amendment to a resolution approved under this section, and any tax rate
27 affected thereby, is the earlier of January first or July first after ninety days have passed
28 from the secretary of revenue's receipt of the mailing required under this section.

29 **Section 5.** That a NEW SECTION be added:

1 **10-52B-5. Tax expiration date--Extension or renewal of tax prohibited.**

2 The expiration date for a tax imposed under this chapter is the earlier of the
3 expiration of the term or date specified in the resolution, or the date on which the purpose
4 of the tax is satisfied. The county shall apply any excess revenue received and remaining
5 after the expiration of the tax to expenses of maintaining or operating, or both, the
6 building, structure or facility that relates to the purpose of the tax.

7 No tax levied pursuant to this chapter may be extended or renewed, unless the
8 board of county commissioners adopts a new resolution that is approved by the voters in
9 accordance with the provisions of this chapter.

10 **Section 6.** That a NEW SECTION be added:

11 **10-52B-6. Issuance of county non-ad valorem tax revenue bonds.**

12 Each county imposing a non-ad valorem tax pursuant to this chapter may issue
13 county non-ad valorem tax revenue bonds in anticipation of the collection of the taxes
14 without holding a bond election pursuant to § 7-24-2. The bonds must be issued and sold
15 as provided in chapter 6-8B.

16 **Section 7.** That a NEW SECTION be added:

17 **10-52B-7. Administration of tax--Recordkeeping.**

18 The Department of Revenue shall administer any tax imposed under this chapter.
19 All moneys received and collected on behalf of a county by the department of revenue
20 under this chapter shall be distributed by the department to the county after deducting
21 the amount of refunds made, the amounts necessary to defray the cost of collecting the
22 tax, and the administrative expenses incident thereto. The department shall pay the
23 balance within thirty days after collection to the county entitled to the payment.

24 The department shall keep full and accurate records of all moneys received and
25 distributed under this chapter.

26 **Section 8.** That a NEW SECTION be added:

27 **10-52B-8. Promulgation of rules.**

28 The secretary of revenue may promulgate rules, pursuant to chapter 1-26,
29 regarding:

30 (1) Licensing procedures, including bonding and filing license applications;

31 (2) The filing of returns and the payment of the tax;

- 1 (3) The application of the tax and exemptions;
- 2 (4) Taxpayer record-keeping requirements; and
- 3 (5) Audits.