

AN ACT

ENTITLED, An Act to allow regional intergovernmental cooperation for sewer utilities and to provide for the establishment of rates and charges.

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

Section 1. That chapter 9-48 be amended by adding thereto a NEW SECTION to read as follows:

Notwithstanding any other provision in this chapter, any municipality, sanitary district, other political subdivision of this state, or any combination thereof which maintains, has installed, or plans to install sewer utilities for public use may establish, by ordinance or resolution, fair and equitable rates and charges for sewer utilities to be paid by the users of the sewer utilities and others connected thereto. The rates and charges may be established to recover past capital costs and pay for the capital costs of developing new capacity. For the purposes of this section, the term, capital costs, includes:

- (1) Costs of construction or expansion of infrastructure that is necessary to serve a new development, including the design, surveying, engineering, environmental, and other professional fees that are directly related to the construction or expansion of the sewer utility;
- (2) Land acquisition costs including the purchase of interest in land, any court award or settlement, appraisal, relocation service, negotiation service, title insurance, expert witness, attorney, and other professional fees that are directly related to the land acquisition;
- (3) Debt service;
- (4) Rate of return including a risk premium for any potential default; and
- (5) Directly related expenses incurred in preparing or updating the comprehensive plan or zone improvement plan, including all administrative, consulting, attorney, and other professional fees.

The rates and charges may be assessed separately or added to other rates established pursuant to this chapter. Two or more municipalities, sanitary districts, political subdivisions of this state, or any combination thereof, may enter into an agreement or contract with each other, or otherwise enter into an agreement as permitted by law, for the provision of sewer utilities. For the purposes of this section, the term, sewer utility, means any main, trunk, service sewer, sanitary and storm sewer, and septic or treatment facility, drain, pumping station, lift station, interceptor, force main, manhole, flow equalization structure, and any other equipment, material, and facility related thereto.

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I certify that the attached Act originated in the

HOUSE as Bill No. 1120

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1120
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