

State of South Dakota

EIGHTY-EIGHTH SESSION
LEGISLATIVE ASSEMBLY, 2013

366U0511

HOUSE BILL NO. 1229

Introduced by: Representatives Feickert, Hunhoff (Bernie), Kirschman, Schrempp, Tyler,
and Verchio and Senators Frerichs, Begalka, and Welke

1 FOR AN ACT ENTITLED, An Act to require municipalities to dedicate a portion of the
2 municipal sales and use tax to support the funding of tax incremental districts.

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

4 Section 1. That § 11-9-30 be amended to read as follows:

5 11-9-30. Payment of project costs may be made by any of the following methods or by any
6 combination thereof:

7 (1) Payment by the municipality from the special fund of the tax incremental district;

8 (2) Payment out of the municipality's funds, including municipal sales and use tax
9 revenue;

10 (3) Payment out of the proceeds of the sale of municipal bonds issued by the
11 municipality under chapters 10-52 or 10-52A;

12 (4) Payment out of the proceeds of revenue bonds issued by the municipality under
13 chapter 9-54; or

14 (5) Payment out of the proceeds of the sale of tax incremental bonds issued by the
15 municipality under this chapter.



1 Section 2. That chapter 11-9 be amended by adding thereto a NEW SECTION to read as
2 follows:

3 For each tax incremental district created by an incorporated municipality after July 1, 2013,
4 the municipality shall deposit a portion of its municipal non-ad valorem tax imposed pursuant
5 to chapter 10-52 into the special fund for the district provided in § 11-9-31. The amount
6 deposited by the municipality shall be equal to the tax increment allocable to the municipality
7 pursuant to § 11-9-28. However, for each tax incremental district, no municipality is required
8 to deposit more than one percent of the amount the municipality annually receives pursuant to
9 the tax imposed by chapter 10-52.