

AN ACT

ENTITLED, An Act to authorize counties to borrow money using promissory notes.

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

Section 1. That chapter 7-21 be amended by adding thereto a NEW SECTION to read as follows:

The provisions of § 7-21-16 or any other provision of law notwithstanding, a county may borrow money from any source willing to lend the money by issuing a promissory note subject to the limitations set in sections 2 to 5, inclusive, of this Act. Notes issued pursuant to this section are payable solely from the sources provided in section 2 of this Act and do not constitute an indebtedness of the county within the meaning of any constitutional or statutory provisions or limitations. The notes shall specify the authority under which the notes are issued and shall state that the notes are issued in conformity with the provisions, restrictions, and limitations of sections 2 to 5, inclusive, of this Act and that the notes and the interest on the notes are payable from the sources specified in sections 2 to 5, inclusive, of this Act. The notes shall be authorized, issued, and sold in accordance with chapter 6-8B. No election is required, and the notes may not be issued for a term in excess of five years.

Section 2. That chapter 7-21 be amended by adding thereto a NEW SECTION to read as follows:

The money borrowed pursuant to section 1 of this Act may not exceed the sum of ninety-five percent of the amount of uncollected taxes levied by the county for the current fiscal year plus other receivables of the fund, including state or federal grant moneys, that have been earned by the county or committed by the state or federal governments but not collected at the date of borrowing.

Section 3. That chapter 7-21 be amended by adding thereto a NEW SECTION to read as follows:

If any registered warrants or promissory notes are outstanding against the fund for which the money is to be borrowed, the borrowing limit specified in section 2 of this Act is reduced by the amount of the outstanding warrants or promissory notes.

Section 4. That chapter 7-21 be amended by adding thereto a NEW SECTION to read as follows:

The rate of interest for a promissory note authorized by section 1 of this Act shall be stated on the note. The note shall be signed by the chair of the board of county commissioners and by the county auditor.

Section 5. That chapter 7-21 be amended by adding thereto a NEW SECTION to read as follows:

If a note authorized by sections 1 to 4, inclusive, of this Act has been issued and not paid in full within the term provided in section 1 of this Act, no cash receipts may be expended for any purpose except the retirement of principal and interest of notes outstanding against that fund, until all such notes are retired.

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I certify that the attached Act
originated in the

SENATE as Bill No. 101

Secretary of the Senate

President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 101

File No. _____

Chapter No. _____

Received at this Executive Office
this ____ day of _____ ,

20__ at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

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