

# State of South Dakota

## EIGHTY-SEVENTH SESSION LEGISLATIVE ASSEMBLY, 2012

753T0260

### SENATE BILL NO. 110

Introduced by: Senators Nelson (Tom), Lederman, and Nygaard and Representatives  
Turbiville, Gibson, Kirkeby, and Munsterman

1 FOR AN ACT ENTITLED, An Act to increase the maximum occupational tax that may be  
2 imposed on transient guests for business improvement districts.

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

4 Section 1. That § 9-55-7 be amended to read as follows:

5 9-55-7. Upon receiving a recommendation from the business improvement board, the  
6 governing body may create one or more business improvement districts by adopting a resolution  
7 of intent to establish a district or districts. The resolution shall contain the following  
8 information:

- 9 (1) A description of the boundaries of any proposed district;
- 10 (2) The time and place of a hearing to be held by the governing body to consider  
11 establishment of a district or districts;
- 12 (3) The proposed public facilities and improvements to be made or maintained within  
13 any such district; and
- 14 (4) The proposed or estimated costs for improvements, facilities and activities within any  
15 district, and the method by which the revenue shall be raised. If a special assessment





1 is proposed, the resolution also shall state the proposed method of assessment.

2 The notice of intent shall recite that the method of raising revenue shall be fair and  
3 equitable. In the use of a general occupation tax, the tax shall be based primarily on the square  
4 footage of the owner's and user's place of business or based on rooms rented by any lodging  
5 establishment to transient guests as defined in § 10-45-7. If the occupational tax is based on  
6 rooms rented by a lodging establishment, the tax shall be imposed on the transient guest and  
7 such tax may not exceed ~~two~~ five dollars per occupied room per night. However, no  
8 occupational tax may be imposed on any transient guest who has been offered a room by a  
9 lodging establishment on a complimentary basis and no fee or rent was charged for such room.  
10 In the use of a special assessment, the assessment shall be based upon the special benefit to the  
11 property within the district.