

# State of South Dakota

NINETY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 2017

636Y0049

## HOUSE LOCAL GOVERNMENT ENGROSSED NO. **HB 1085** - 2/7/2017

Introduced by: Representatives Lust, Anderson, Bartling, Conzet, DiSanto, Duvall, Goodwin, Johns, McPherson, Otten (Herman), Rasmussen, Reed, Rounds, Rozum, Schoenfish, Steinhauer, Stevens, Tieszen, Turbiville, and York and Senators Solano, Bolin, Cronin, Ewing, Langer, Otten (Ernie), Rusch, Russell, and Tidemann

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the occupational tax

2 imposed by 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:

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~~ the proposed district;

10 (2) The time and place of a hearing to be held by the governing body to consider  
11 establishment of a the district ~~or districts~~;

12 (3) The proposed public facilities and improvements to be made or maintained within  
13 ~~any such~~ the district; and



1 (4) The proposed or estimated costs for improvements, facilities and activities within any  
2 the district, and the method by which the revenue shall be raised. If a special  
3 assessment is proposed, the resolution also shall state the proposed method of  
4 assessment.

5 The notice of intent shall recite that the method of raising revenue shall be fair and  
6 equitable. In the use of a general occupation tax, the tax shall be based primarily on the square  
7 footage of the owner's and user's place of business or based on rooms rented by any lodging  
8 establishment to transient guests as defined in § 10-45-7. If the occupational tax is based on  
9 rooms rented by a lodging establishment, the tax shall be imposed on the transient guest and  
10 ~~such~~ the tax may not exceed be up to two dollars or up to three percent of the rented room  
11 charge per occupied room per night. However, no occupational tax may be imposed on any  
12 transient guest who has been offered a room by a lodging establishment on a complimentary  
13 basis and no fee or rent was charged for ~~such~~ the room. In the use of a special assessment, the  
14 assessment shall be based upon the special benefit to the property within the district. A change  
15 in the occupational tax may be made by the governing body after receipt of a petition requesting  
16 that the occupational tax be changed to a stated rate and signed by a majority of the hotel and  
17 motel owners with rooms available for lodging in the district. The governing body shall provide  
18 notice and hearing as provided in § 9-55-13. The governing body shall adopt a resolution of  
19 intent to change the assessment or rate of levy at least thirty days before the hearing on the  
20 change. The resolution shall specify the proposed change and shall give the time and place of  
21 the hearing.