

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

982V0510

## HOUSE BILL NO. 1218

Introduced by: Representatives Schoenfish, Anderson, Greenfield, Haggar (Jenna), Heinemann (Leslie), Lust, Nelson, Peterson, Rasmussen, Sly, Tulson, Tyler, and Werner and Senators Welke, Frerichs, Jensen, Jones (Tom), Tidemann, and Tieszen

1 FOR AN ACT ENTITLED, An Act to authorize school districts to use certain tax levies for  
2 pension and health insurance purposes.

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

4 Section 1. That § 13-10-6 be amended to read as follows:

5 13-10-6. For the purpose of continuing a fund for the payment of pensions to retired  
6 employees of a school district that has established such system, or for the purpose of  
7 participating in group health insurance contracts or providing health insurance to employees  
8 through self insurance, or both, the school district may levy an annual tax not exceeding thirty  
9 cents per thousand dollars of taxable valuation of the school district for the current year. The  
10 levy may not be included in determining the tax levy limitation of the school district provided  
11 by law. Moneys collected from the tax for pension purposes shall be kept by the business  
12 manager in a special pension fund and may not be used for any other purpose except upon  
13 discontinuance of the pension system by the school district, in which case any unexpended  
14 balance shall be transferred to the health insurance fund or to the general fund. Moneys collected



1 from the tax for health insurance purposes shall be kept by the business manager in a special  
2 health insurance fund and may not be used for any other purpose except upon discontinuance  
3 of the health insurance contract or program by the school district, in which case any unexpended  
4 balance shall be transferred to the special pension fund or to the general fund.

5 For taxes payable in 2011, the total amount of revenue payable from the levy provided in  
6 this section may not increase more than the lesser of three percent or the index factor, as defined  
7 in § 10-13-38, over the maximum amount of revenue that could have been generated for the  
8 taxes payable in 2010. After applying the index factor, a school district may increase the revenue  
9 payable from taxes on real property above the limitations provided by this section by the  
10 percentage increase of value resulting from any improvements or change in use of real property,  
11 annexation, minor boundary changes, and any adjustments in taxation of real property separately  
12 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,  
13 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value.

14 For taxes payable in 2012, 2013, 2014, and 2015, the total amount of revenue payable from  
15 the levy provided in this section may not increase more than the lesser of three percent or the  
16 index factor, as defined in § 10-13-38, over the maximum amount of revenue that could have  
17 been generated for the taxes payable in 2010 plus any unused index factor from the previous  
18 years. After applying the index factor, a school district may increase the revenue payable from  
19 taxes on real property above the limitations provided by this section by the percentage increase  
20 of value resulting from any improvements or change in use of real property, annexation, minor  
21 boundary changes, and any adjustments in taxation of real property separately classified and  
22 subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A, and 10-6B,  
23 except § 10-6-31.4, only if assessed the same as property of equal value.

24 Any school district created or reorganized after January 1, 2009, is exempt from the

1 limitation provided by this section for a period of two years immediately following its creation.  
2 For taxes payable in 2011, 2012, 2013, 2014, and 2015, the levy limitation of thirty cents  
3 per thousand dollars of taxable valuation does not apply to any school district.