

# State of South Dakota

EIGHTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2009

587Q0754

## HOUSE BILL NO. 1282

Introduced by: Representatives Feickert, Dennert, Feinstein, Frerichs, Gibson, Kirkeby, and  
Novstrup (David) and Senator Novstrup (Al)

1 FOR AN ACT ENTITLED, An Act to allow counties to assign the responsibility for the  
2 redemption of bonded indebtedness of a former school district to a new school district after  
3 a reorganization.

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

5 Section 1. That § 13-6-82 be amended to read as follows:

6 13-6-82. Nothing in this chapter shall be construed to authorize the transfer of the liabilities  
7 of existing bonded indebtedness from the district or territory against which it was originally  
8 incurred. ~~Should~~ If a school district dissolves and is annexed to another school district or school  
9 districts, and there be any is existing bonded indebtedness outstanding against a the dissolved  
10 district, the county auditor shall continue the annual tax levy that was provided for the  
11 redemption of such bond issue. The board of county commissioners shall have the same  
12 authority as a school board under the provisions of §§ 13-16-10 to 13-16-14, inclusive. The  
13 board of county commissioners shall direct the treasurer of the school board of the said former  
14 school district to transfer all money in the bond redemption fund as of the close of the last  
15 school fiscal year the district existed, to the county treasurer and the said county treasurer shall



1 place such money so received in a trust fund along with the receipts from the annual tax levy  
2 provided in § 13-6-81 and shall be authorized to invest any surplus money in this trust fund in  
3 such securities as are authorized by law for school district funds and the income from such  
4 investments shall be added to such trust fund. The county treasurer shall apply the money in the  
5 said trust fund to the redemption of such bonded indebtedness as the bonds become due and  
6 payable and, if sufficient money is available, may negotiate with the bondholders to purchase  
7 outstanding bonds ahead of schedule when such action is deemed advisable and so ordered by  
8 the board of county commissioners. When the bonds are paid and canceled, the county treasurer  
9 shall place the unused balance in the said trust fund, if any, to the credit of the district or  
10 districts containing territory of the former school district.

11 If two or more school districts consolidate, and there is existing bonded indebtedness  
12 outstanding against any of the former school districts, the county auditor shall continue the  
13 annual tax levy that was provided for the redemption of the bonds. The board of county  
14 commissioners may assume the authority for the redemption of the bonds and proceed as it  
15 would if the former district had dissolved, or it may transfer that authority to the new school  
16 district which includes territory of the former school district.