State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

659N0233 **SENATE EDUCATION COMMITTEE ENGROSSED NO.**

SB 69 - 02/14/2007

Introduced by: Senators Olson (Ed) and Knudson and Representatives Heineman, Deadrick, Halverson, and McLaughlin

FOR AN ACT ENTITLED, An Act to revise the distribution of certain revenues to school districts.

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

Section 1. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as follows:

The school district other revenue fund is hereby created in the state treasury.

Section 2. That chapter 13-13 be amended by adding thereto a NEW SECTION to read as follows:

The secretary of the Department of Education shall distribute the funds from the school district other revenue fund to the school districts on the basis of fall enrollment as defined in this Act, at the same time that foundation program state aid is distributed to school districts pursuant to §§ 13-13-10.1 to 13-13-41, inclusive.

Section 3. That § 10-33-21 be amended to read as follows:

10-33-21. All persons, corporations, cooperatives, and associations engaged in furnishing and providing telephone and exchange service comprising rental and toll service by means of

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Insertions into existing statutes are indicated by underscores.
Deletions from existing statutes are indicated by ~~overstrikes~~.

wired circuits and otherwise and whose annual gross receipts are less than fifty million dollars shall be taxed on the basis of gross receipts at the rate of four percent.

However, no telephone company operating in this state may be taxed less than an amount equal to fifty cents per year per telephone serviced. ~~Further, each telephone company that was taxed in the five percent tax category for the calendar year 2001 shall pay an amount of tax to each school district of not less than the tax received by such school district in 2002 for the years 2003 and 2004.~~

Section 4. That § 10-33-24 be amended to read as follows:

10-33-24. ~~It shall be the duty of the~~ The secretary of revenue and regulation ~~to~~ shall compute and determine the amount of tax to be paid by such company as provided in § 10-33-21 and ~~he shall on or before July first following certify to the county auditor of each county in the state in which such company operates the amount of the tax to be paid in such county on the basis of the gross receipts received by such company from its operations in such county and shall further certify to the county auditor the amount to which each school district shall be entitled in each such county on the basis of the gross receipts received by such company in each school district. The county auditor shall extend such tax on his books and certify the same to the county treasurer~~ certify the amount to the company by July first.

Section 5. That § 10-33-25 be amended to read as follows:

10-33-25. The tax levied in § 10-33-21 ~~shall become~~ is due and ~~be~~ payable to the ~~county treasurer of each county in which such company operates and as certified by the~~ secretary of revenue and regulation on September first of each year following the filing of the report of ~~such~~ gross receipts. The secretary of revenue and regulation shall deposit the taxes paid pursuant to § 10-33-21 in the school district other revenue fund.

Section 6. That § 10-33-28 be repealed.

~~10-33-28. The county treasurer shall allocate and transmit the taxes imposed by § 10-33-21 and collected from each such company to the school treasurers of each school district in which such company operates on the basis of the gross receipts received by such company from its operations within each such school district within the county.~~

Section 7. That § 10-36-7 be amended to read as follows:

10-36-7. The secretary of revenue and regulation shall compute ~~and determine~~ the amount of tax to be paid by ~~such~~ each company as provided in § 10-36-6 and shall ~~on or before July first following certify to the county auditor of each county in the state in which such company operates the amount of the tax to be paid in such county on the basis of the gross receipts received by such company from its operations in such county and shall further certify to the county auditor the amount to which each school district shall be entitled in each such county on the basis of the gross receipts received by such company in each school district. The county auditor shall extend such tax on his books and certify the same to the county treasurer~~ certify the amount to the company by July first.

Section 8. That § 10-36-8 be amended to read as follows:

10-36-8. The tax levied by § 10-36-6 ~~shall become~~ is due and ~~be~~ payable to the ~~county treasurer of each county in which such company operates and as certified by the~~ secretary of revenue and regulation on September first of each year following the filing of the report of ~~such~~ gross receipts. The secretary of revenue and regulation shall deposit the taxes paid pursuant to § 10-36-6 in the school district other revenue fund.

Section 9. That § 10-36-10 be repealed.

~~10-36-10. The county treasurer shall allocate and transmit the taxes collected from each such company to the school treasurers of each school district in which such company operates on the basis of the gross receipts received by such company from its operations within each such~~

~~school district within the county.~~

Section 10. That § 10-43-76 be amended to read as follows:

10-43-76. Upon the receipt of the funds referred to in this chapter, the secretary of revenue and regulation shall deposit ninety-five percent of the taxes paid by banks organized under §§ 51A-2-38 to 51A-2-43, inclusive, and twenty-six and two-thirds percent of all other revenue to the general fund. The secretary of revenue and regulation shall remit the remainder excluding the amount assigned to school districts pursuant to § 10-43-77, on or before February first of each year, to the county treasurer of the county wherein is situated the bank or financial institution remitting the tax. However, the remittance of tax from all branch banks, branch offices, or branches of other financial institutions subject to this tax shall be separated from the remittance of the parent bank or financial institution and shall be remitted to the county treasurer of the county wherein said branch bank, branch office, or financial institution is located.

Section 11. That § 10-43-77 be amended to read as follows:

10-43-77. The county treasurer upon receipt of the funds, remitted to the county pursuant to §§ 10-43-75.1 and 10-45-76, shall apportion and distribute the funds between the taxing subdivisions, including the county and excluding the school districts, in the same proportion as the average of personal property taxes assessed in each taxing subdivision, including the county and the school districts, for calendar years 1972, 1973, 1974, 1975, and 1976 were distributed as determined and certified by the secretary of revenue and regulation.

The county treasurer shall certify to the secretary of revenue and regulation the proportion of personal property taxes assessed that is assigned to the school districts under the provisions of this section. For any school district affected by a consolidation on or after July 1, 2003, as defined in § 13-6-1, the successor school district shall ~~receive~~ be assigned the funds ~~allocated~~ assigned to each of the former school districts. For any school district eliminated or subdivided

by a reorganization on or after July 1, 2003, as defined in § 13-6-1, each successor school district shall ~~receive~~ be assigned a portion of the funds allocated to the former school district. Each successor school district's portion of the funds shall be based upon the percentage of the total taxable valuation of the former school district transferred to the successor school district, at the time of the reorganization. The secretary of revenue and regulation shall determine the amount of funds assigned to school districts and shall deposit those funds in the school district other revenue fund. Any amount received by the county and taxing subdivisions pursuant to this section may upon receipt be used to support the functions of such taxing subdivision.

Section 12. That § 10-6-22 be amended to read as follows:

10-6-22. The director of equalization shall ~~forthwith~~ notify the state's attorney of any ~~such~~ delinquency or offense as described by § 10-6-21 and ~~he~~ the state's attorney shall prosecute ~~such~~ the offender to final judgment and execution, and ~~such~~ any fine ~~when~~ collected shall be paid into the county treasury ~~for the use of the public schools~~. The county treasurer shall remit those revenues to the state treasurer for deposit into the school district other revenue fund.

Section 13. That § 10-59-1 be amended to read as follows:

10-59-1. The provisions of this chapter apply to any taxes or fees or persons subject to taxes or fees imposed by, and to any civil or criminal investigation authorized by, chapters 10-33, 10-36, 10-39, 10-39A, 10-39B, 10-43, 10-45, 10-45D, 10-46, 10-46A, 10-46B, 10-46C, 10-46E, 10-47B, 10-52, 10-52A, 32-3, 32-3A, 32-5, 32-5B, 32-6B, 32-9, 32-10, and 34A-13 and §§ 22-25-48, 49-31-51, 50-4-13 to 50-4-17, inclusive, and the provisions of chapter 10-45B.