

AN ACT

ENTITLED, An Act to exempt certain facilities used for business incubators from property taxation.

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

Section 1. That chapter 10-4 be amended by adding thereto a NEW SECTION to read as follows:

Any facility operated as a multi-tenant business incubator and owned by an entity recognized as an exempt nonprofit corporation pursuant to section 501(c)(3), 501(c)(4), or 501(c)(6) of the Internal Revenue Code as of January 1, 2006, is exempt from property taxation. A business incubator is any facility that supports the development and operation of a number of small start-up businesses. Tenants of the facility may share a number of support services and the tenants may receive technical assistance, business planning, legal, financial, and marketing advice. If any portion of the facility is occupied by an incubated business for more than five years, that portion of the facility shall be taxed as other property of the same class is taxed.

Section 2. That § 10-4-15 be amended to read as follows:

10-4-15. Any person, organization, corporation, or association claiming a property tax exemption status for any property under section 1 of this Act or §§ 10-4-9 to 10-4-14, inclusive, or as may otherwise be provided by law, shall apply for such exemption to the county director of equalization on forms prescribed by the secretary of revenue and regulation prior to November first of the tax year.

Section 3. That § 13-13-20.4 be amended to read as follows:

13-13-20.4. The actual assessed valuation of any property given a reduced valuation pursuant to §§ 10-6-35.1, 10-6-35.2, 10-6-35.4, 10-6-35.21, 10-6-35.22, 10-6-35.24, 10-6-35.25, 10-6-54, 10-6-55, 10-6-66, and 10-6-67 shall be used when calculating state aid to education. For any property given a reduced valuation after November 1995, pursuant to §§ 10-6-35.1, 10-6-35.2, 10-6-35.4, 10-6-35.21, 10-6-35.22, 10-6-35.24, 10-6-35.25, 10-6-54, 10-6-55, 10-6-66, and 10-6-67 that has not

previously received a reduced valuation pursuant to these statutes, the portion of actual assessed valuation of the property used when calculating state aid to education shall be twenty percent in the first year, forty percent in the second year, sixty percent in the third year, eighty percent in the fourth year, and one hundred percent each year thereafter. In addition, the actual assessed valuation of any property given exempt status pursuant to section 1 of this Act shall be used when calculating state aid to education.

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I certify that the attached Act
originated in the
HOUSE as Bill No. 1129

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1129
File No. _____
Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,
20__ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State