



LEGISLATIVE UPDATE

March 11, 2016

Spring #8



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2016 LEGISLATIVE NOTES

March 11th was the final day of the main run of the 91st Legislative Session.

Many bills were passed during the session with the most significant being the increase of the State sales tax up to 4.5 cents. It is projected that this increase will bring in \$105 million per year of which \$68 million is dedicated to teacher pay and school programs. The other \$37 million is dedicated to property tax relief. The reduction in property taxes will be implemented by reducing the statewide property tax levies for general education for ag property, owner-occupied homes and commercial property. Overall the Session should be viewed as successful and effective in dealing with most critical issues in a timely manner.

The major activity of the last day was approval of the FY 2017 Appropriations Bill which provides funding for the ordinary expenses of the legislative, judicial, and executive departments of the State and support and maintenance of the educational, charitable and penal institutions of the State for the fiscal year ending June 30, 2017.

The amount of funds that were approved are listed below by funding source:

State General Funds - \$1.60 Billion- Up
From \$1.43 Billion in FY 2016

Federal Funds - \$1.66 Billion No
Change From FY 2016

Other Funds* - \$1.31 Billion - Up
From \$1.23 Billion in FY 2016

TOTAL - \$4.57 Billion - Up From
\$4.33 Billion in FY 2016

*Dedicated funds such as gas tax and motor vehicle excise tax.

As a point of interest, the appropriation for the Department of Transportation is:

General Funds - \$0.54 Million - No
Change from FY 2016

Federal Funds - \$388.25 Million - No
Change From FY 2016

Other Funds* - \$298.02 Million - Up
From \$229.54 Million in FY 2016

Total - \$686.81 Million - Up From
\$618.33 Million in FY 2016

STATUS OF SDATAT LEGISLATION

During the week, HB 1137, an act to revise the distribution of vehicle registration fees from non-

commercial gross weight vehicles , was approved by the Senate Taxation Committee on Monday by a

vote of 7-0. It then passed the Senate on Tuesday by a vote of 31-4 (a 2/3 majority or 24 votes were required for passage). Under the bill, counties will receive an increase of \$430,000 per year, Townships will receive an increase of \$1.02 million and Cities will receive a reduction of \$1.45 million.

The large increases in registration fees for this category of vehicles have been justified on the basis that the larger farm equipment and heavier trucks are causing damage to local roads and bridges.

It was a fairness issue and a victory for ag producers and local governments in that 90% of the regis-

tration fees collected on farm trucks will now go to counties and townships for repair of local roads and bridges.

Rep. Werner and Sen. Vehle worked hard and did a great job in getting the bill approved. Without them the bill would not have passed; and their effort is greatly appreciated.

Also, thank you to the SDATAT Board and Staff, and all Township Supervisors who helped by contacting their legislators and asking for support for HB 1137. It was a team victory led by the Townships.

NEW TAX LEVY FOR SECONDARY ROAD CAPITAL IMPROVEMENT FUND

- Allows for up to \$.50/thousand levy for road and bridge improvement
 - In addition to current levies
- Must be approved each year (Does not carry over from year to year. Does not get growth + cpi.)
- Can only be passed at the Annual Meeting
- Any resident, registered voter in attendance of the meeting may vote on the issue. (Is not referable to a vote. If taxpayers want to vote against it, they must attend the meeting.)
- Clerk must inform County Auditor if levy is passed and provide meeting minutes showing vote outcome

10-12-28.2. Authorization of tax levy for secondary road capital improvement fund. The voters of an organized civil township at the annual township meeting may authorize an annual property tax levy not to exceed fifty cents per thousand dollars of the taxable valuation of the township for the secondary road capital improvement fund for projects and purposes as defined in § 31-13-3.1. The secondary road capital improvement tax levy authorized by this section is in addition to the levies authorized in §§ 10-12-28 and 31-13-22. Any tax levy imposed pursuant to this section is exempt from the tax limitations imposed on a township pursuant to chapter 10-13.

This year you had the opportunity to consider the new tax levy, shown above, for the secondary road capital improvement fund to provide funds for you to use to make critical improvements to roads and bridges on your road systems. You were able to levy any amount up to 50 cents per \$1000 of valuation outside of the state-imposed tax limitation at your annual meeting. We would appreciate receiving notification of any action that your township takes on this issue. You may just take the survey on the "home page" at our website at: www.sdtownships.com Thank you in advance for your help!

TOWNSHIP CALENDAR

March 14 - Regular Twp Mtg for equalizing the assessment of property in your township

March 29– Regular township meeting of the “newly” elected township officials.

Reminder - any required meeting may be rescheduled for the following Tuesday at the same time and place, due to inclement weather, without additional publication. Be sure that you have the reschedule date in the initial agenda and publications. (SDCL 8-3-1)

More information and detailed sample agendas available at: www.sdtownships.com

IMPORTANT CONTACT INFORMATION

To Track Legislation

<http://legis.sd.gov/>

To Listen To Committees Live:

http://legis.sd.gov/Legislative_Session/Committees/default.aspx?Session=2014

Address: Legislative Research Council

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Fax a Message (to a specific legislator) - 605 773 6806

Email: sen.(last name)@state.sd.us or follow this link:

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