

**Tentative Meeting Agenda**  
**McPherson County Board of Commissioners**  
**Meeting Location: McPherson County Courthouse in Commissioners Chambers**  
**706 Main Street, Leola, SD 57456**  
**February 4<sup>th</sup>, 2020**  
**10:00AM**

10:00AM      Agenda, Conflicts of Interest

10:05AM      Demkota 5-Mile Manure Variance Permit

10:30AM      Drainage Board

10:45AM      Public Concerns/Questions

11:00AM

Executive Session 1-25-2.1 or 2.3

Walworth County Regional Jail

Sheriff's Department

Emergency Management Mutual Aid Agreement

Highway Department

Director of Equalization

Courthouse Maintenance Position

Veterans Service Officer - Emailed Update for the board

Deputy Auditor - 1 year increase effective March 1<sup>st</sup>, 2020

Add to the Leola Firemen's Roster

Bills, Reports, Minutes Signing, meeting authorizations

**Please contact the Auditor's Office at least 24 hours in Advance to be placed on the agenda**

# ***HB 1099: An act to minimize taxpayer costs by maximizing flexibility when funding county infrastructure construction***

## **The problem:**

- Like other units of government, counties are required to build and maintain infrastructure to fulfill their legally mandated responsibilities. Some expensive infrastructure (like courthouses and jails) is specified (SDCL § 16-6-7 §16-12A-29.1, § 24-11-2, § 24-11-3) as county responsibilities in state law.
- Unlike other units of government, counties' only way to pay for this is property tax. This typically requires a property tax bond that will last 20 years. For taxpayers, this means a bump in property taxes for 20 years. For ag producers, this 20-year bump in property taxes is significant and fluctuations in commodity prices make this added expense a burden to manage from year to year.

## **A solution:**

- **Give voters the option to approve a county-wide sales tax, limited in time and scope, to save money.** In many South Dakota counties, this would greatly lessen the burden upon taxpayers, especially upon ag producers. The modification would allow counties to ask their voters to levy ½¢ (0.5%) sales tax solely for the purpose of infrastructure (as described in SDCL § 7-25-1 and 7-25-3 and for facilities designed to reduce jail incarceration).
  - Majority of voters must approve.
  - Ballot must clearly state the maximum possible term of the sales tax and the infrastructure to be built should the tax be approved.
  - When the bond is paid or when the maximum term is reached, the .5% sales tax stops. It can only continue with voter re-approval.
- **How would this make things better for taxpayers?**
  - *It's fairer.* Sales tax would spread the burden among all residents, not just property owners. This is particularly fair for public safety infrastructure like courthouses and jails.
  - *Shortens the length of time of the tax.* In many SD counties, ½¢ sales tax would pay off a bond more quickly than a property tax funded bond. All revenues gained would have to be used to pay the bond to build the voter-approved infrastructure minimizing the length of time for the tax.
  - *Increases the opportunity to save taxpayers' money.* Paying off a bond more quickly can mean significant savings on financing costs. Here is a comparison for a few SD counties for a \$17 million building:

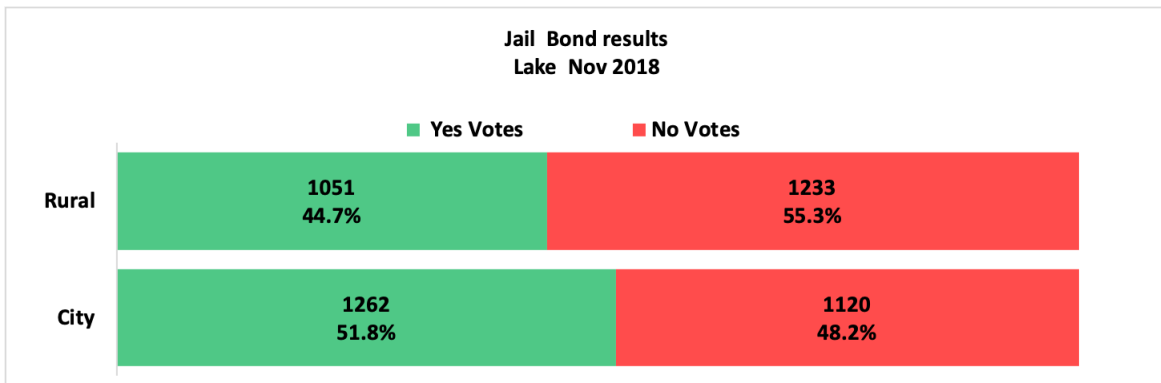
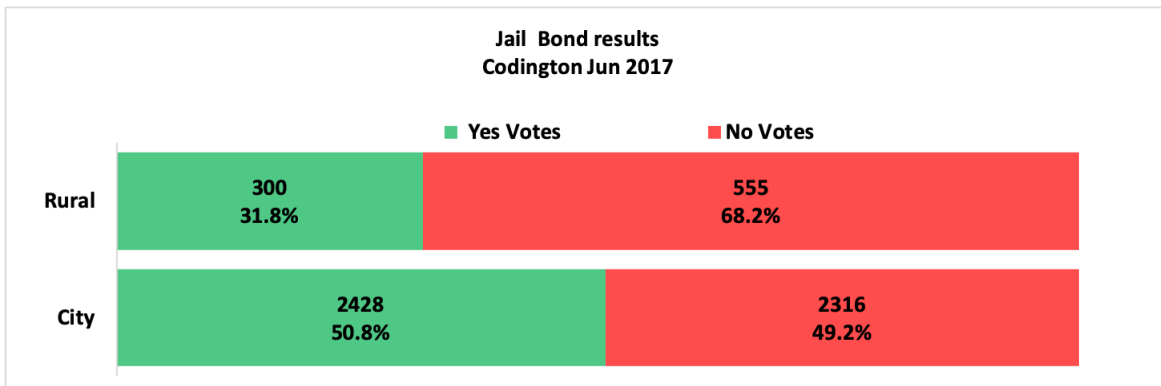
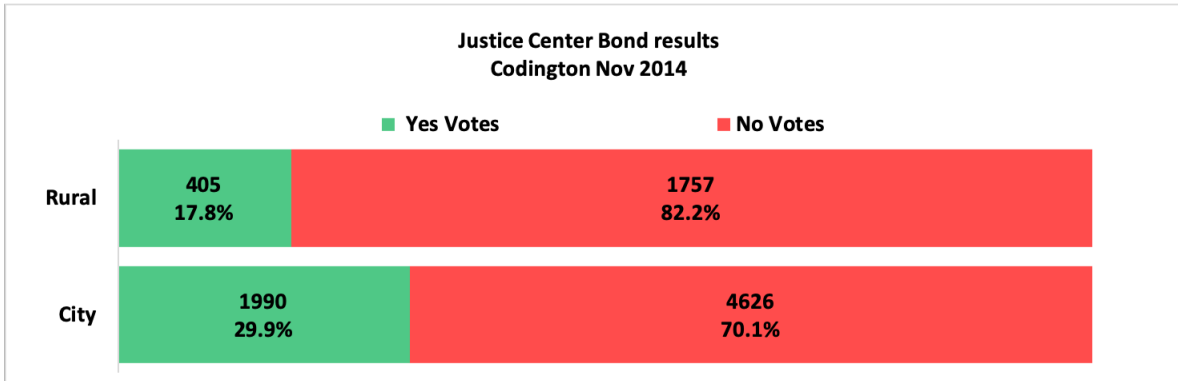
		Brookings	Brown	Codington	Lawrence
<b>Bond Type</b>	Property Tax	½¢ Sales Tax	½¢ Sales Tax	½¢ Sales Tax	½¢ Sales Tax
<b>Bond Amount</b>	<b>\$17,000,000</b>	<b>\$17,000,000</b>	<b>\$17,000,000</b>	<b>\$17,000,000</b>	<b>\$17,000,000</b>
<b>Term in Years<sup>1</sup></b>	<b>20</b>	<b>6</b>	<b>4</b>	<b>5</b>	<b>8</b>
<b>Estimated Interest Rate</b>	<b>3.25%</b>	<b>3.75%</b>	<b>3.75%</b>	<b>3.75%</b>	<b>3.75%</b>
<b>Estimated Annual Debt Svc Paymt</b>	<b>\$1,169,241</b>	<b>\$3,216,607</b>	<b>\$4,655,769</b>	<b>\$3,791,882</b>	<b>\$2,498,973</b>
<b>Estimated revenue from ½¢ sales tax<sup>2</sup></b>		\$3,254,740	\$4,235,651	\$3,650,722	\$2,715,158
<b>Total Payments</b>	<b>\$23,384,821</b>	<b>\$19,299,644</b>	<b>\$18,623,075</b>	<b>\$18,959,410</b>	<b>\$19,991,781</b>
<b>Estimated Savings in total costs</b>	<b>\$0</b>	\$4,085,177	\$4,761,746	\$4,425,410	\$3,393,039

- *More public debate.* The requirement for voter approval would cause a health public debate about the need for and nature of the infrastructure and whether property or ½¢ sales tax is the best approach.
- *Increases local control.* Provides locally elected officials a money-saving option to put before voters.
- *Gives voters a voice in how they are taxed.* Any tax enacted under the provisions of this act would require voter approval.

<sup>1</sup> Term for sales tax bonds reduced to shortest term possible based on estimated revenue from 1/2¢ sales tax.

<sup>2</sup> Half of average of 5 years of 2nd penny sales tax data for largest cities in each county (Lawrence includes both Spearfish & Deadwood)

- *Eases the burden on ag producers.* Ag producers tend to be affected most by increases in property tax. An increase to property taxes that lasts 20 years is an unwelcome added burden as commodity prices fluctuate and producers must juggle expenses. This problem is reflected in the results of three recent county bond votes shown below. **These show how rural vs city voters viewed property tax funding for county infrastructure.**



- **Ensures as many counties as possible can benefit**
  - Counties that don't host the infrastructure in question, would be able to use the provisions in this act to share in the cost of building infrastructure in another county. This would be helpful for things like regional jails and shared county extension facilities.
  - Counties that have a current property bond, could use the provisions in this act to effectively "refinance" a property tax bond with a sales tax bond. This would offer a possibility to save financing costs to counties who have property tax bonds in place.



## 2020 South Dakota Legislature

# House Bill 1099

Introduced by: **Representative** York

1 **An Act to authorize counties to impose a temporary sales and use tax and to issue**  
2 **revenue bonds to fund certain county infrastructure construction.**

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

4 **Section 1.** That a NEW SECTION be added:

5 **10-52B-1. County non-ad valorem tax--Rate--Restriction--Conformance to**  
6 **state tax.**

7 For a purpose authorized under the provisions of this chapter, the board of county  
8 commissioners may, by a resolution approved by registered voters in accordance with the  
9 provisions of this chapter, impose a temporary non-ad valorem tax at a rate not to exceed  
10 one-half percent on the sale, use, storage, and consumption in the county of the same  
11 items subject to state tax under chapters 10-45 and 10-46. A county may not have more  
12 than one tax in effect under this section, and any tax imposed under this section must  
13 conform in all respects to the state tax with the exception of the rate.

14 **Section 2.** That a NEW SECTION be added:

15 **10-52B-2. Purposes for imposition of tax--Definitions--Use of revenue.**

16 A tax may only be imposed under the provisions of this chapter for the following  
17 purpose:

- 18 (1) To make payment on or to establish a debt reserve fund on a new or existing bond  
19 issue that is issued for the purpose of renovating or replacing either a building or  
20 structure described in §§ 7-25-1 and 7-25-3, or a facility designed to reduce jail  
21 incarceration; or  
22 (2) To contribute funds to another county for the purpose of sharing expenses for the  
23 renovation or replacement of either a building or structure described in §§ 7-25-1  
24 and 7-25-3, or a facility designed to reduce jail incarceration.

1           For purposes of this chapter, a facility designed to reduce jail incarceration means  
2           a structure that provides an appropriate venue for programs and activities designed to  
3           reduce incarceration.

4           Unless otherwise provided in this chapter, any revenue generated from a tax  
5           imposed pursuant to this chapter may only be applied to the purpose of the tax as stated  
6           in the resolution.

7   **Section 3.** That a NEW SECTION be added:

8           **10-52B-3. Content of resolution.**

9           The resolution required under this chapter must include the following content:

- 10          (1) A statement that the tax is levied on the sale, use, storage and consumption in the  
11             county on the same items subject to tax under chapters 10-45 and 10-46;  
12          (2) The rate of the tax;  
13          (3) The purpose of the tax, including a clear description of the building, structure, or  
14             facility to be renovated or replaced if the resolution is approved; and  
15          (4) The maximum number of years the tax will be imposed or the latest date the tax  
16             will expire.

17   **Section 4.** That a NEW SECTION be added:

18           **10-52B-4. Procedures for approving resolution--Notification after approval--**  
19           **Effective date of resolution.**

20           The procedures for approving a resolution for the imposition of a tax under this  
21           chapter are the same as the procedures applicable when a petition to refer a resolution  
22           has been filed under § 7-18A-15. If the resolution is approved, the board of commissioners  
23           shall notify the secretary of revenue of such approval in writing by registered or certified  
24           mail and include a copy of the approved resolution with the mailing.

25           Notwithstanding §§ 7-18A-8 and 7-18A-14, the effective date of any new  
26           resolution or amendment to a resolution approved under this section, and any tax rate  
27           affected thereby, is the earlier of January first or July first after ninety days have passed  
28           from the secretary of revenue's receipt of the mailing required under this section.

29   **Section 5.** That a NEW SECTION be added:

**10-52B-5. Tax expiration date--Extension or renewal of tax prohibited.**

The expiration date for a tax imposed under this chapter is the earlier of the expiration of the term or date specified in the resolution, or the date on which the purpose of the tax is satisfied. The county shall apply any excess revenue received and remaining after the expiration of the tax to expenses of maintaining or operating, or both, the building, structure or facility that relates to the purpose of the tax.

No tax levied pursuant to this chapter may be extended or renewed, unless the board of county commissioners adopts a new resolution that is approved by the voters in accordance with the provisions of this chapter.

**Section 6.** That a NEW SECTION be added:

**10-52B-6. Issuance of county non-ad valorem tax revenue bonds.**

Each county imposing a non-ad valorem tax pursuant to this chapter may issue county non-ad valorem tax revenue bonds in anticipation of the collection of the taxes without holding a bond election pursuant to § 7-24-2. The bonds must be issued and sold as provided in chapter 6-8B.

**Section 7.** That a NEW SECTION be added:

**10-52B-7. Administration of tax--Recordkeeping.**

The Department of Revenue shall administer any tax imposed under this chapter. All moneys received and collected on behalf of a county by the department of revenue under this chapter shall be distributed by the department to the county after deducting the amount of refunds made, the amounts necessary to defray the cost of collecting the tax, and the administrative expenses incident thereto. The department shall pay the balance within thirty days after collection to the county entitled to the payment.

The department shall keep full and accurate records of all moneys received and distributed under this chapter.

**Section 8.** That a NEW SECTION be added:

**10-52B-8. Promulgation of rules.**

The secretary of revenue may promulgate rules, pursuant to chapter 1-26, regarding:

(1) Licensing procedures, including bonding and filing license applications;

(2) The filing of returns and the payment of the tax;

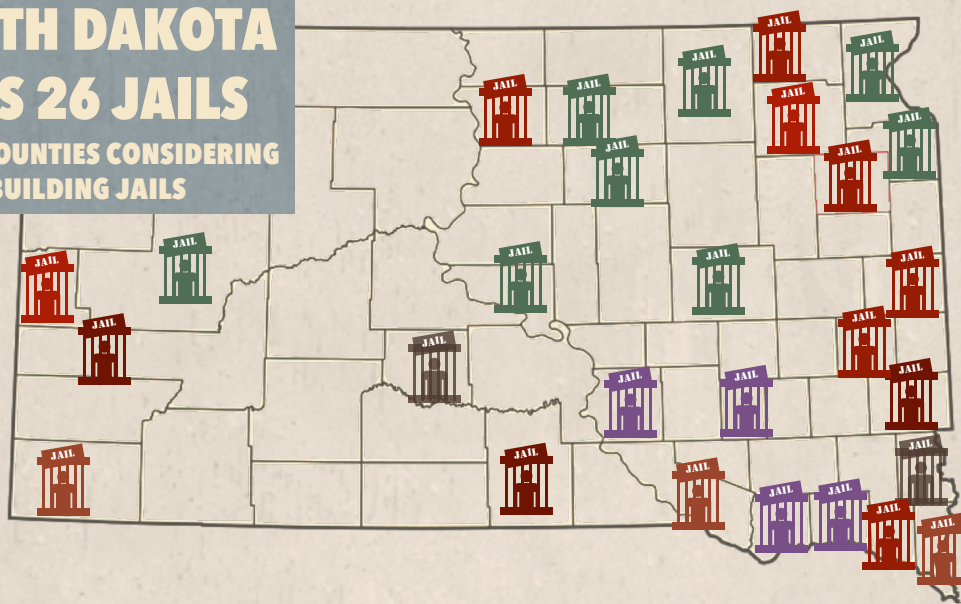
- 1 (3) The application of the tax and exemptions;
- 2 (4) Taxpayer record-keeping requirements; and
- 3 (5) Audits.

# JAILS IN SOUTH DAKOTA

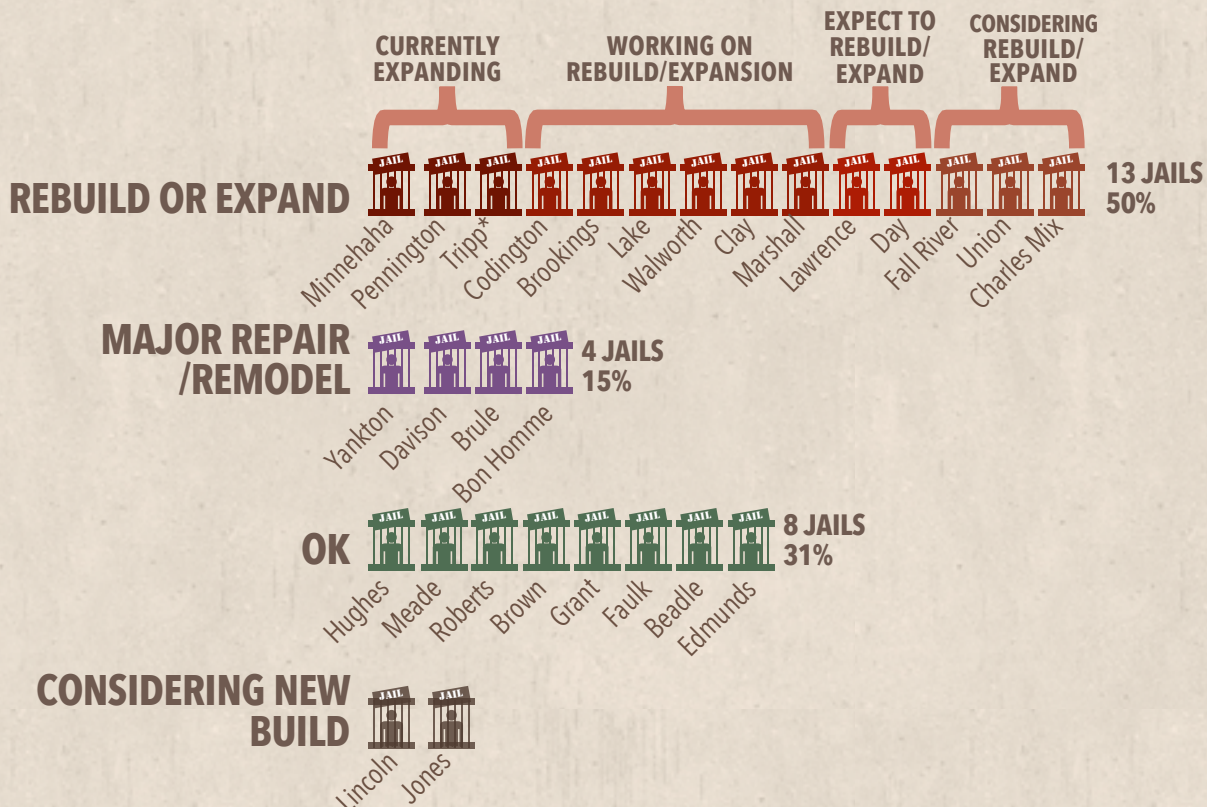
## A STATEWIDE CHALLENGE

**SOUTH DAKOTA  
HAS 26 JAILS**

**AND 2 COUNTIES CONSIDERING  
BUILDING JAILS**



## HALF OF THEM NEED SIGNIFICANT ATTENTION



Source: Survey of counties by SDACC  
\*Winner City Jail

**South Dakota Association of County Commissioners**  
**South Dakota Association of County Officials**



**Website:** [www.sdcountycommissioners.org](http://www.sdcountycommissioners.org) <http://www.sdcounties.org>

**Email:** [kris@sdcountycommissioners.org](mailto:kris@sdcountycommissioners.org), [sdaco@sdcounties.org](mailto:sdaco@sdcounties.org), [bob@sdcountycommissioners.org](mailto:bob@sdcountycommissioners.org)

**Office Phone:** 605-224-4554

**Bob Wilcox's cell:** 605-280-5701

**Kris Jacobsen's cell:** 605-295-0713

## **SD Counties Legislative Update**

**January 31, 2020**

Remember to keep the communication lines open with your legislator and this office regarding county issues. The SD Counties office contact information is listed above. Ways to communicate with the Legislators during session are as follows:

**Call**

Senate Lobby – 605-773-3821

House Lobby – 605-773-3851

**Fax**

(to a specific legislator)

605-773-6806

**Email**

*Firstname.lastname@sdlegislature.gov*

**Calendar**

Friday, February 7

Last day for introduction of committee bills and joint resolutions

Thursday, February 27

Last day for a bill or joint resolution to pass the house of origin

Thursday, March 7

Last day for bills to pass both houses




March, 13-29












Legislative recess














Monday, March 30













37th Legislative Day

The Legislative Research Council website: <http://www.sdlegislature.gov/>

	Bill	Title
	<a href="#">SB 3</a>	revise certain provisions regarding documents of the Legislature. <i>Sponsors: Senator Greenfield (Brock), Representative Haugaard</i> 02/05/2020: Scheduled for hearing in Senate State Affairs
	<a href="#">SB 14</a>	revise registration requirements for motor vehicles, motorcycles, snowmobiles, trailers, and semitrailers. <i>Sponsor: The Committee on Transportation at the request of the Department of Revenue</i> 01/27/2020: Senate Do Pass, Passed, YEAS 33, NAYS 0 01/28/2020: Referred to House Transportation
	<a href="#">SB 15</a>	revise certain provisions regarding the retention of motor vehicle title documents by the Department of Revenue. <i>Sponsor: The Committee on Transportation at the request of the Department of Revenue</i> 01/27/2020: Senate Do Pass, Passed, YEAS 33, NAYS 0 01/28/2020: Referred to House Transportation

	<a href="#">SB 24</a>	revise the fees for pesticide registration, private applicator licenses, commercial applicator licenses, and pesticide dealer licenses. <i>Sponsor: The <a href="#">Committee on Appropriations</a> at the request of the Department of Agriculture</i> 01/28/2020: Referred to Senate Committee on Appropriations, Passed, YEAS 6, NAYS 3.
	<a href="#">SB 37</a>	make an appropriation for costs related to disasters in the state and to declare an emergency. <i>Sponsor: The <a href="#">Committee on Appropriations</a> at the request of the Office of the Governor</i> 01/15/2020: Referred to Joint Committee on Appropriations
	<a href="#">SB 51</a>	authorize the possession of a concealed pistol by employees in county courthouses. <i>Sponsors: Senator Russell, Representative Goodwin</i> 01/28/2020: Senate Judiciary motion to amend Passed 02/04/2020: Scheduled for hearing in Senate Judiciary
	<a href="#">SB 52</a>	create a state seal specialty plate emblem. <i>Sponsors: Senator Otten (Ernie), Representative Mills</i> 01/29/2020: Senate Transportation Do Pass, Passed, YEAS 6, NAYS 0. Placed on Consent
	<a href="#">SB 56</a>	authorize the collection of certain search and rescue service costs. <i>Sponsors: Senator Russell, Representative Frye-Mueller</i> 1/29/2020: Senate Local Government Do Pass, Passed, YEAS 5, NAYS 2
	<a href="#">SB 57</a>	provide for the assessment of certain agricultural land as noncropland. <i>Sponsor: Senator Russell</i> 01/24/2020: <b>Withdrawn</b> at the request of the Prime Sponsor
	<a href="#">SB 68</a>	authorize a county gross receipts tax. <i>Sponsors: Senator Steinhauer, Representative Reed</i> 01/29/2020: Senate Taxation <b>Deferred to the 41st Legislative Day</b> , Passed, YEAS 6, NAYS 1.
	<a href="#">SB 69</a>	revise the penalty for the misuse of emblem specialty plates on motor vehicles. <i>Sponsors: Senator Otten (Ernie), Representative Goodwin</i> 01/30/2020: Senate Do Pass, Passed, YEAS 34, NAYS 0
	<a href="#">SB 76</a>	provide for the assessment of certain agricultural land as noncropland. <i>Sponsors: Senator Russell, Representative Dennert</i> 01/27/2020: Referred to Senate Taxation
	<a href="#">SB 79</a>	modify provisions regarding the building of fences across certain unimproved highways. <i>Sponsors: Senator Klumb, Representative Borglum</i> 02/05/2020: Scheduled for hearing in Senate Local Government
	<a href="#">SB 85</a>	establish an annual fee for certain electric motor vehicles and electric hybrid motor vehicles. <i>Sponsors: Senator Rusch, Representative Borglum</i> 01/28/2020: Referred to Senate Transportation
	<a href="#">SB 90</a>	revise the distribution of motor fuel tax revenue, create a small structure and large culvert fund, provide for the use and administration of the fund, and to make an appropriation thereof. <i>Sponsors: Senator Greenfield (Brock), Representative Bordeaux</i> 02/05/2020: Scheduled for hearing in Senate Local Government
	<a href="#">SB 122</a>	impose a severance tax on the quarrying of certain minerals. <i>Sponsor: Senator Maher</i> 01/30/2020: referred to Senate Taxation
	<a href="#">SB 135</a>	increase the bid limit for certain public improvements. <i>Sponsors: Senator Soholt, Representative Chaffee</i> 01/30/2020: referred to Senate Local Government
	<a href="#">HB 1006</a>	authorize the secretary of revenue to contract with certain entities for purposes of maintaining a database to determine agricultural income value and to specify the mandatory and permissive data of the database. <i>Sponsors: Representative Chaffee, Senator Cammack</i> 01/30/2020: House of Representatives Do Pass Amended, Passed, YEAS 66, NAYS 1

	<a href="#">HB 1007</a>	require certain adjustments to the assessed value of agricultural land if factors impact the land's productivity and to require those adjustments to be documented. <i>Sponsors: Representative Chaffee, Senator Cammack</i> 01/30/2020: House Taxation Do Pass Amended, Passed, YEAS 12, NAYS 0.
	<a href="#">HB 1020</a>	revise certain provisions regarding the use of exemption certificates. <i>Sponsor: The Committee on <a href="#">Taxation</a> at the request of the Department of Revenue</i> 01/27/2020: House of Representatives Do Pass, Passed, YEAS 68, NAYS 0 01/28/2020: Referred to Senate Taxation
	<a href="#">HB 1022</a>	revise certain provisions regarding motor vehicle, snowmobile, and boat dealer licenses. <i>Sponsor: The Committee on <a href="#">Transportation</a> at the request of the Department of Revenue</i> 01/27/2020: House of Representatives Do Pass Amended, Passed, YEAS 68, NAYS 0 01/28/2020: Referred to Senate Taxation
	<a href="#">HB 1036</a>	revise provisions regarding the issuance of certain military specialty plates. <i>Sponsor: The Committee on Military and Veterans Affairs at the request of the Department of Veterans Affairs</i> 01/15/2020: Referred to House Military and Veterans Affairs
	<a href="#">HB 1049</a>	establish a maximum on the number of words contained in a statement of a proponent or opponent for the ballot question pamphlet. <i>Sponsor: The Committee on <a href="#">Local Government</a> at the request of the State Board of Elections</i> 01/30/2020: Signed by the President of the Senate
	<a href="#">HB 1050</a>	provide for voter registration through an online voter registration system provided by the Office of the Secretary of State. <i>Sponsor: The Committee on <a href="#">Local Government</a> at the request of the State Board of Elections</i> 02/04/2020: Scheduled for hearing in House Local Government
	<a href="#">HB 1051</a>	revise certain provisions regarding public access to voter registration data. <i>Sponsor: The Committee on <a href="#">Local Government</a> at the request of the State Board of Elections</i> 02/04/2020: Scheduled for hearing in House Local Government
	<a href="#">HB 1052</a>	change a reference from a secondary election to a runoff election to maintain consistency in terms. <i>Sponsor: The Committee on <a href="#">Local Government</a> at the request of the State Board of Elections</i> 01/30/2020: Signed by the President of the Senate
	<a href="#">HB 1053</a>	revise certain provisions regarding the submission process for ballot measures. <i>Sponsor: The Committee on <a href="#">Local Government</a> at the request of the Office of the Secretary of State</i> 01/27/2020: House of Representatives Do Pass, Passed, YEAS 68, NAYS 0 02/05/2020: Scheduled for hearing in Senate Local Government
	<a href="#">HB 1054</a>	revise the documentation required for voter registration. <i>Sponsor: The Committee on <a href="#">Local Government</a> at the request of the Office of the Secretary of State</i> 01/23/2020: House Local Government Do Pass Amended, Passed, YEAS 10, NAYS 1
	<a href="#">HB 1055</a>	revise certain provisions regarding the termination of a political committee under certain circumstances. <i>Sponsor: The Committee on <a href="#">Local Government</a> at the request of the Office of the Secretary of State</i> 01/29/2020: House of Representatives Do Pass Amended, Passed, YEAS 58, NAYS 11. 01/30/2020: Referred to Senate State Affairs
	<a href="#">HB 1061</a>	exempt vehicles owned by improvement districts from certain vehicle registration fees. <i>Sponsors: Representative Anderson, Senator Bolin</i> 01/29/2020: House of Representatives Do Pass, Passed, YEAS 62, NAYS 7 01/30/2020: Referred to Senate Transportation
	<a href="#">HB 1067</a>	modify certain provisions regarding notice, service, and execution of judgments. <i>Sponsors: Representative Reed, Senator Otten (Ernie)</i> 01/21/2020: Referred to House Judiciary

	<a href="#">HB 1079</a>	authorize a county to assess an administration fee for the processing of certain title applications. <b>SDACO Legislation</b> <i>Sponsors: Representative Goodwin, Senator Castleberry</i> 01/24/2020: Referred to House Transportation
	<a href="#">HB 1093</a>	establish a pipeline liability fund, to authorize a special fee for extraordinary expenses, and to make a continuous appropriation therefor. <i>Sponsors: Representative Bordeaux, Senator Heinert</i> 01/28/2020: Referred to Joint Committee on Appropriations
	<a href="#">HB 1097</a>	modify requirements for a marriage license. <i>Sponsors: Representative Reimer, Senator Lake</i> 02/04/2020: Scheduled for hearing in House Local Government
	<a href="#">HB 1099</a>	authorize counties to impose a temporary sales and use tax and to issue revenue bonds to fund certain county infrastructure construction. <b>SDACC Legislation</b> <i>Sponsors: Representative York, Senator Novstrup</i> 01/28/2020: Referred to House Taxation
	<a href="#">HB 1117</a>	repeal and revise certain provisions regarding riot, to establish the crime of incitement to riot, and to revise provisions regarding civil liability for riot and riot boosting. <i>Sponsors: The Committee on State Affairs at the request of the Office of the Governor</i> 01/30/2020: Referred to House State Affairs
	<a href="#">HB 1144</a>	remove the requirement for a ballot election in township elections if candidates are unopposed. <i>Sponsor: Representative Pischke</i> 02/04/2020: Scheduled for hearing in House Local Government
	<a href="#">HB 1150</a>	increase the annual assessment limits for certain road maintenance and repairs. <i>Sponsor: Representative Pischke</i> 01/30/2020: First Reading House
	<a href="#">HB 1154</a>	revise certain provisions regarding motor vehicle license plates <i>Sponsors: Representative Frye-Mueller, Senator Jensen (Phil)</i> 01/30/2020: First Reading House
	<a href="#">HB 1161</a>	revise the provision regarding emblem license plates. <i>Sponsors: Representative Mills, Senator Otten (Ernie)</i> 01/30/2020: Referred to House Transportation
	<a href="#">HB 1177</a>	require that school district elections occur in conjunction with the general election. <i>Sponsors: Representative Post, Senator Bolin</i> 01/30/2020: First Reading House
	<a href="#">HB 1208</a>	revise provisions regarding the titling of motor vehicles. <i>Sponsor: Representative Anderson</i> 01/30/2020: First Reading House
	<a href="#">HB 1211</a>	change the payment process for forensic medical examinations. <i>Sponsors: Representative Reed, Senator Smith (VJ)</i> 01/30/2020: First Reading House