



July 2021



County Road and Bridge & Township Capital Improvement

For Taxes Payable in Calendar Year 2022

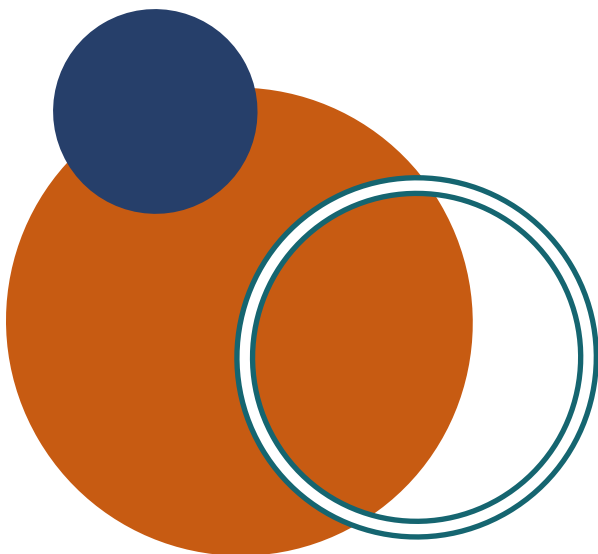
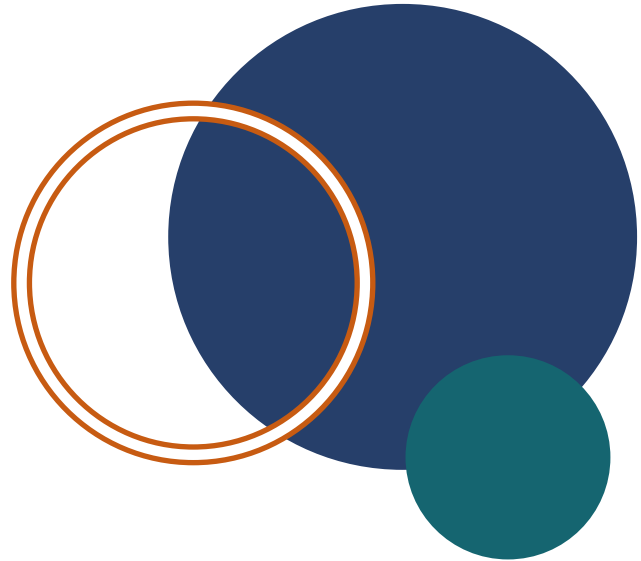
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CONTACT US

If you have any questions, please contact the **South Dakota Department of Revenue.**

Call toll-free: 1-800-829-9188 (Option 2)

Tax Division Email: proptaxin@state.sd.us

Website: <https://dor.sd.gov/>

Mailing address and office location:

South Dakota Department of Revenue
445 East Capitol Ave Pierre, SD 57501

Country Road & Bridge

The board of county commissioners may pass a levy specifically for road and bridge purposes. The funds for this levy can be used towards maintaining, repairing, constructing, and reconstructing roads and bridges within the county. The County Road & Bridge levy will be in addition to any other levies that are currently being levied at the county level.

The maximum Road & Bridge levy the board of commissions may pass depends on the current total taxable valuation reported within the county:

- ◆ Less than 1 Billion – up to \$1.20 / thousand of value
- ◆ 1 Billion to 2 Billion – up to \$0.90/ thousand of value
- ◆ More than 2 Billion – up to \$0.60 / thousand of value

Once passed, the county will have authority to continue the Road & Bridge levy annually without any further action of the board.

The total amount of taxes generated can be increased annually by an index factor and a growth factor, but the levy calculated from such amount cannot exceed the limitations listed above.

All property within the county must pay the Road & Bridge levy. However, 25% of the taxes generated by the property within a city will be remitted back to that city for their own bridge and street purposes.

Requirements

Timeframe

The board of county commissioners must pass a resolution with a 2/3 vote of the governing body. This must be done prior to July 15 of the year prior to the year the taxes are payable.

Publication

The resolution approved by the board must be published within 10 days of the board action.

The resolution must be printed at least twice in the legal newspaper(s).

The decision of the board may be referred to a vote by a petition of 5% of the registered voters in the county.

FAQs

If the county board passes the initial resolution for the maximum allowed levy, can they change that for subsequent years?

- Yes. The board can always lower their request from year to year. However, they should be aware that they can only increase the previous year's request by growth + CPI, as dictated in statute.

Example:

- ◆ Resolution is passed with an initial levy of \$.90 / thous. This generates \$100,000 in taxes
- ◆ Year 2: Commission decides they only need \$80,000. This is allowable and no further action is needed
- ◆ Year 3: The fund is limited to 80,000 plus growth + CPI. They cannot jump back up to \$100,000 without passing a new resolution.

If the overall county taxable value increases, pushing them into a different limitation bracket, will the levy be reduced?

- Yes. The levy would have to be lowered to meet the limitations outlined above.

Township Capital Improvement

A board of an organized township has the authority to impose a levy specifically for road and bridge purposes. The revenue generated from this levy can go towards the constructing, reconstructing, repairing, and maintaining of secondary roads, bridges and culverts within the township.

The Township Capital Improvement levy will be in addition to any other levies that are currently being levied by the township.

This levy may not exceed more than \$0.50 / thousand or the equivalent dollar amount.

The Township Capital Improvement levy does not carry over from year to year. The township board of supervisors must act on this levy annually.

Requirements

Timeframe

The Township Capital Improvement levy can only be authorized during the township Annual Meeting. Anyone in attendance of the Annual Meeting has the ability to vote on the passage of the levy.

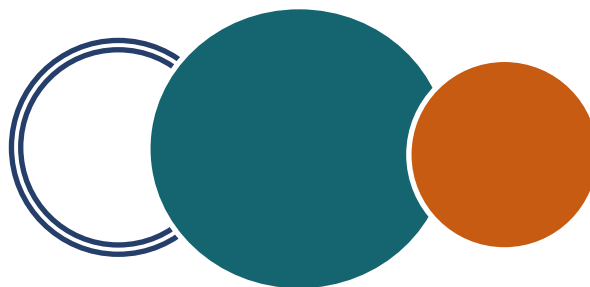
The action of the township board does not need to be published.

This levy is not referable to an additional vote of the people.

Documentation

The township clerk must send the following to the County Auditor to ensure proper application of the levy

- Copies of the minutes of the meeting at which the Township Capital Improvement levy was discussed and approved.
- A tax request showing the specific tax amount requested for road and bridge purposes.



County Road and Bridge

10-12-13. County levy for maintenance, repair, and construction of roads and bridges--Reserve fund.

The board of county commissioners may levy an annual tax as a reserve fund to be accumulated and used for the purpose of maintaining, repairing, constructing, and reconstructing roads and bridges as follows:

- (1) A levy not to exceed one dollar and twenty cents per thousand dollars of taxable valuation, if the total taxable valuation of the county is one billion dollars or less:
- (2) A levy not to exceed ninety cents per thousand dollars of taxable valuation, if the total taxable valuation of the county is more than one billion dollars but less than two billion dollars; and
- (3) A levy not to exceed sixty cents per thousand dollars of taxable valuation, if the total taxable valuation of the county is two billion dollars or more.

Moneys in the fund may be expended in the laying out, marking, maintaining, constructing, and reconstructing roads and maintaining, constructing, and reconstructing bridges, under the jurisdiction of the board of county commissioners. The tax levy shall be in addition to all other levies authorized to be made by the board of county commissioners for road and bridge purposes provided for in § 10-12-21. The proceeds of such levy shall be placed in a special fund to be known as the county highway and bridge reserve fund. Any increased tax levy imposed pursuant to this section is exempt from the provisions of chapter 10-13, if the county establishes the amount of revenue payable from taxes on real property pursuant to § 10-12-13.1. However, each year thereafter, the county may increase the amount of revenue payable from property taxes by applying the growth and the index factor pursuant to the provisions of § 10-13-35.

10-12-13.1. Authorization of increased tax levy--Publication. The governing body of the county may, by resolution, impose the increased tax levy provided in § 10-12-13 with an affirmative two-thirds vote of the governing body on or before July fifteenth. The action of the governing body to authorize an increased tax levy shall be published within ten days of the action and shall be published at least twice in each legal newspaper designated by the county. The action to authorize an increased tax levy is subject to the referendum process in accordance with chapter 7-18A.

10-12-14. Payment to municipalities from federal matching-aid levy. In all municipalities, twenty-five percent of the money raised by the levy made pursuant to § 10-12-13 within said municipalities shall be paid by the county treasurer to the treasurer of said municipality to be expended by the governing body of said municipality for bridge and street purposes within said municipality.

Township Capital Improvement

10-12-26. Annual levy of organized township--Certification to county auditor.

On the last Tuesday in March of each year, or within ten days thereafter, the board of supervisors of each organized civil township shall levy the annual taxes for the ensuing year, as voted at the annual town meeting, and immediately thereafter the township clerk shall certify to the county auditor the amounts of such levies, in substantially the following form:

For general purposes _____ dollars.
For bridge purposes _____ dollars.
For fireguard purposes _____ dollars.

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 IS AN EXAMPLE* The following resolution may be modified as your commission sees fit. The Department recommends that you include language about it being referable. It is advisable that you consult with your States Attorney in the drafting of the final resolution.*

**ATTENTION TAXPAYERS:
NOTICE OF
PROPERTY TAX INCREASE
OF \$ _____**

THE GOVERNING BOARD OF _____ states that the above said board is unable to properly maintain, repair, construct, and reconstruct roads and bridges in _____ COUNTY. Law now permits the governing board of said entity to establish a tax amount which may be levied and such amount can increase each year with the amount of inflation and new construction. Therefore the board does now establish a base property tax in the amount of \$ _____ starting with calendar year _____ taxes payable in the calendar year _____. This action has been taken by the board and approved by at least a two-thirds vote of the board.

This decision may be referred to a vote of the people upon a petition signed by at least five percent of the registered voters in the district and filed with the governing body within twenty days of the first publication of this decision.

Unless this action is referred to a vote of the people and reversed by such vote, this resolution authorizes the county auditor to spread a levy to raise tax dollars in the above stated amount, allowing for percentage increases from inflation and new construction in subsequent years.

Signed _____ Board Chairman
_____ Board Member
_____ Board Member
_____ Board Member
_____ Board Member
_____ Board Member

DATE _____