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**50th Annual DLA Government Audit Workshop
Summary of Legislation from the 2024 Legislative Session
Prepared by the Department of Legislative Audit**

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2

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Summary of Legislation from the 2024 Legislative Session

Objective

- To receive an update on some of the 2024 legislative session bills enacted that may have some ramifications on upcoming audits.

Agenda

- General Discussion of enacted legislation.

3

3

Disclaimer

- *The following is a summary of enacted legislation.*
- *Please review specific changes to South Dakota Codified Laws for actual changes.*

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4

Government Generally

HOUSE BILL 1055: (In part, not entire bill)

Changes Appraisal Value of Surplus Property from \$500 or less to \$2,500 or less.

An Act to raise the appraisal value of surplus property that may be sold by a political subdivision without notice.

Section 1. That § 6-13-4 be AMENDED:

6-13-4. Any surplus property appraised pursuant to § 6-13-2 at **two thousand** five hundred dollars or less or any animal owned by a municipality for a zoo may be sold by the governing board at a private or public sale without notice. The governing board of the political subdivision shall give notice of the sale of all other surplus property, ~~including property created as a result of an educational program in a school,~~ by publishing a notice of the sale at least twice, with the first publication not less than ten days prior to the date of the sale....

5

5

Government Generally (Continued)

HOUSE BILL 1060: (See Bill for Changes, Summary Below)

Changes Travel Reimbursement Rates.

Due to the passage of **HB 1060** during the 2024 Legislative Session, various travel reimbursement rates will increase on July 1, 2024, including the mileage reimbursement rate and in-state lodging reimbursement rate. By streamlining these rates with federal standards, the travel reimbursement rates will be more reflective of the actual costs of travel. Each October 1, the mileage rate and in-state lodging reimbursement rate will update to align with the rates set by the federal government.

6

6

Government Generally (Continued)

HOUSE BILL 1060: (See Bill for Changes, Summary Below)

Changes Travel Reimbursement Rates.

A. MILEAGE REIMBURSEMENT

- Effective July 1, 2024, the mileage reimbursement rate will increase to be consistent with the mileage reimbursement rate for business set by the Internal Revenue Service (IRS), or \$0.655 per mile. If a state employee elects to use a personal vehicle for state business but an Office of Fleet and Travel Management pool vehicle is available, the mileage reimbursement rate will be set at 45% of the rate set by the IRS, or \$0.295 per mile.

7

7

Government Generally (Continued)

HOUSE BILL 1060: (See Bill for Changes, Summary Below)

Changes Travel Reimbursement Rates.

B. IN-STATE LODGING

- Effective July 1, 2024, the maximum in-state lodging reimbursement rate will increase to be consistent with the actual cost of in-state lodging, not to exceed the rate set by the [General Service Administration \(GSA\)](#). The standard rate of \$107 per night will apply to travel in all counties in South Dakota, except for those specifically listed by the GSA. The lodging reimbursement rate for out-of-state and out-of-country travel will not change from the current rate of \$175 per night, with an additional \$100 available with excess lodging approval.

8

8

Government Generally (Continued)

HOUSE BILL 1060: (See Bill for Changes, Summary Below)

Changes Travel Reimbursement Rates.

Primary Destination County Maximum Lodging Rate

- Standard Rate Applies for all locations without specified rates \$107
- Deadwood/Spearfish Lawrence October – May: \$107 June – September: \$157
- Hot Springs Fall River/Custer October – May: \$107 June – September: \$152
- Rapid City Pennington October – May: \$107 June – August: \$169 September: \$107

9

9

Government Generally (Continued)

HOUSE BILL 1090: (In part, not entire bill)

Changes Tax Deed Process.

An Act to revise provisions related to tax deeds and to declare an emergency.

Section 1. That chapter 10-25 be amended with a NEW SECTION:

A county that has acquired real property by a tax deed shall declare the real property to be surplus property and conduct a sale in accordance with the provisions of chapter 6-13. The sale must occur within one year of the issuance of the tax deed. The proceeds of the sale must be distributed in accordance with § 10-25-39. Notwithstanding the notice requirement contained in § 6-13-4, the county shall give notice of the sale by publishing a notice of the sale at least twice, with the first publication not less than thirty days prior to the date of the sale.

10

10

Government Generally (Continued)

HOUSE BILL 1090: (In part, not entire bill) - Continued

Changes Tax Deed Process.

Section 2. That chapter 10-25 be amended with a NEW SECTION:

Any person, except a county, acquiring real property by a tax deed after being issued a tax certificate shall offer the property at public auction in accordance with the provisions of chapter 6-13 and section 1 of this Act. The auction must occur within one year of the issuance of the tax deed. Following the sale, the seller of the property is entitled to compensation in the same manner as redemption of a tax certificate pursuant to § 10-24-1. The proceeds of the sale must be distributed in accordance with § 10-25-39.

11

11

Government Generally (Continued)

HOUSE BILL 1090: (In part, not entire bill) - Continued

Changes Tax Deed Process.

Section 3. That § 10-25-39 be AMENDED:

10-25-39. The proceeds of the tax deed sale, after deducting the expenses incurred by the county in the proceeding to take tax deed and in the sale proceeding, shall must be distributed by prorating the proceeds on the basis of the tax levies for the most recent year for which taxes are included in the proceeds of the sale, until all tax and interest have been paid.

Any surplus proceeds of the tax deed sale that remain after payment of the taxes, penalty, interest, and other costs, must be returned to the prior owner of record. If the prior owner of record cannot be found within one hundred eighty days, the surplus must be transferred to the Unclaimed Property Division pursuant to chapter 43-41B.

12

12

Government Generally (Continued)

HOUSE BILL 1090: (In part, not entire bill) - Continued

Changes Tax Deed Process.

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(Repealed SDCL 10-25-21, 10-25-22, 10-25-23 and 10-25-27)

...

Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

13

13

Government Generally (Continued)

HOUSE BILL 1092: (In part, not entire bill)

Increases 911 Emergency Surcharge from \$1.25 to \$2.00 and adds reporting responsibility.

An Act to revise provisions regarding the 911 emergency surcharge.

Section 1. That § 34-45-4 be AMENDED:

34-45-4. A monthly uniform 911 emergency surcharge of ~~one dollar and twenty-five cents~~ shall be two dollars must be assessed per service user line. The proceeds of the 911 emergency surcharge ~~shall~~ must be used to pay for allowable nonrecurring and recurring costs of the 911 system...

14

14

Government Generally (Continued)

HOUSE BILL 1092: (In part, not entire bill) – Continued

Increases 911 Emergency Surcharge from \$1.25 to \$2.00 and adds reporting responsibility.

Section 2. That a NEW SECTION be added to chapter 34-45:

Each governing body of a public safety answering point shall submit an annual report to the board by July thirty-first of each year. The report must cover the period of July first through July first immediately preceding the report deadline and be available for public inspection. The annual report for each answering point must include the following:

- (1) Number of unique service calls made for ambulance, fire, and law enforcement;
- (2) Total number of employees;
- (3) Operational budget;
- (4) Total amount of dollars received by the 911 emergency surcharge pursuant to § 34-45-4 from each jurisdiction in the system;
- (5) Description of the geographic territory of the public safety answering point; and
- (6) Hours of operation for the public safety answering point.

The Department of Public Safety may promulgate rules, pursuant to chapter 1-26, to require additional information from a public safety answering point for the purposes of the annual report.

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15

15

Government Generally (Continued)

HOUSE BILL 1060: (See Bill for Changes, Summary Below)

Clarifies Tax Increment Districts

An Act to clarify provisions pertaining to tax increment finance districts.

HB 1194 primarily updated reference to “municipality” to be “political subdivision” and “municipal finance officer” to “municipal finance officer, county treasurer and county auditor”.

16

16

Government Generally (Continued)

SENATE BILL 75: (See Bill for Changes, Summary Below)

Modify provisions pertaining to the designation of a legal newspaper

SB 75 primarily updates the definition of what constitutes a legal newspaper for publication purposes.

17

17

Government Generally (Continued)

SENATE BILL 115: (In part, not entire bill)

Prevent a Guaranteed Income Program

An Act to prevent a county, township, or municipality from authorizing a guaranteed income program.

Section 1. That chapter 7-18A be amended with a NEW SECTION:

A county may not adopt, enforce, or maintain an ordinance, order, or rule for the purpose of making payments to an individual under a guaranteed income program. If a county fails to comply with the order, the attorney general must bring an action in the name of the state for injunctive relief against a county that has adopted an ordinance, order, rule, or program in violation of this section.

For the purposes of this section, the term "guaranteed income program" means a plan funded or administered by the government under which an individual is provided with regular, unconditional cash payments to be used for any purpose by the individual. The term does not include a program under which an individual is required to seek reemployment as a condition of any payments, perform work, or attend training...

18

18

Government Generally (Continued)

SENATE BILL 115: (In part, not entire bill)-Continued

Prevent a Guaranteed Income Program

Section 3. That chapter 9-19 be amended with a NEW SECTION:

A municipality may not adopt, enforce, or maintain an ordinance, order, or rule for the purpose of making payments to an individual under a guaranteed income program. If a municipality fails to comply with the order, the attorney general must bring an action in the name of the state for injunctive relief against a municipality that has adopted an ordinance, order, rule, or program in violation of this section.

For the purposes of this section, the term "guaranteed income program" means a plan funded or administered by the government under which an individual is provided with regular, unconditional cash payments to be used for any purpose by the individual. The term does not include a program under which an individual is required to seek reemployment as a condition of any payments, perform work, or attend training.

19

19

Government Generally (Continued)

SENATE BILL 148: (In part, not entire bill)

Permissive authority to a governing body of a municipality or county to deny reissuance of an on-sale license not actively used.

~~35-2-5.3. No licensing authority~~The governing body of a municipality or county may ~~reissue~~ deny reissuance of any on-sale license issued pursuant to subdivision ~~35-4-2~~(4), (6), or (13) to the same licensee or the licensee's transferee if the license has not been actively used by the applicant during the two years preceding the date of the current application. For purposes of this section, the term, "actively used," means ~~that the~~:

- (1) The licensed premises was open to the public during regular business hours for the sale and consumption of distilled spirits for at least sixty days during the two preceding years. ~~However, the~~;
or
- (2) The licensed premises is ~~only required to be~~ open five days per year if it is and open to the public during a special event that has at least twenty-five thousand visitors. ~~However, the~~The number of licenses held by a municipality pursuant to chapter ~~35-3~~ may not be less than the total number of licenses available to be issued as of July 1, 2010...

20

20

Government Generally (Continued)

SENATE BILL 152: (In part, not entire bill)

Establish maximum fees for legal publications and to remove related rule-making authority from the Bureau of Administration

An Act to revise public meeting requirements.

17-2-19. If any legal publication of anything is required or allowed by law, and no other fee is prescribed for that publication, the Bureau of Administration shall establish, by rules promulgated pursuant to chapter 1-26, the maximum fee which may be charged for the publication. The bureau shall annually review and adjust rates to reflect changes in economic conditions within the newspaper industry and the general economy. The bureau shall consult with representatives of the daily and weekly newspaper industry and with representatives of local units of governments. the maximum fee that may be charged for the publication is:...

See HB 152 for Rates

21

21

Government Generally (Continued)

SENATE BILL 187:

Cybersecurity Services Initiative for Counties and Municipalities

An Act to make an appropriation to establish a cybersecurity services initiative for counties and municipalities and to declare an emergency.

Section 1. There is hereby appropriated from the general fund the sum of \$7,000,000 to the Office of the Attorney General, for purposes of creating a cybersecurity services initiative for counties and municipalities throughout the State of South Dakota.

Section 2. The funds appropriated in section 1 of this Act must be used exclusively to expand and improve cybersecurity for counties and municipalities in the State of South Dakota, via any infrastructure and technology that can protect the information technology assets of counties and municipalities in South Dakota, and for administrative costs necessary for expending these dollars efficiently and effectively.

22

22

Government Generally (Continued)

SENATE BILL 187: - Continued

Cybersecurity Services Initiative for Counties and Municipalities

Section 3. Funds must be disbursed according to the specific needs of the project and in such a way that best advances the cybersecurity needs of the counties and municipalities to be served.

Section 4. The Office of the Attorney General shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act

Section 5. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.

Section 6. Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

23

23

Government Generally (Continued)

SENATE BILL 219: (In part, not entire bill)

Modify provisions related to the control of counties and municipalities over medical marijuana establishments within their jurisdictions.

Section 1. That § 34-20G-56 be AMENDED:

34-20G-56. If a local government the governing body of a county has enacted a numerical limit on the number of medical cannabis establishments in the locality county and a greater number of applicants seek registration, the department shall solicit and consider input from the local government county as to its preference for registration.

If the governing body of a municipality has enacted a numerical limit on the number of medical cannabis establishments in the municipality, and a greater number of applicants seek registration, the department shall solicit and consider input from the municipality as to its preference for registration.

24

24

Government Generally (Continued)

SENATE BILL 219: (In part, not entire bill) - Continued

Section 2. That § 34-20G-58 be AMENDED:

34-20G-58. ~~A local government~~The governing body of a municipality may enact an ordinance not in conflict with this chapter, ~~governing the~~ regardless of whether it has enacted a zoning ordinance pursuant to title 11, imposing:

(1) Restrictions on a medical cannabis establishment to govern the time, place, and manner, ~~and number of operation;~~

(2) A limit on the number of medical cannabis establishments in the ~~locality~~-municipality;

(3) Reasonable setback requirements;

(4) Limitations on the proximity of a medical cannabis establishment to:

(a) Any sensitive land-use area, including a childcare facility, park, public service facility, recreational facility, religious facility, school, and any location frequented by individuals under the age of twenty-one; or

(b) Any other medical cannabis establishment;

(5) Requirements for a medical cannabis establishment to obtain a local license, permit, or registration to operate; or

(6) Reasonable fees for any local license, permit, or registration.

The governing body of a county may enact an ordinance governing all matters set forth in this section. The county ordinance applies throughout its jurisdiction, except within the boundaries of a municipality that has enacted an ordinance in accordance with this section....

25

25

Municipalities

HOUSE BILL 1132: (See Bill for Changes, Summary Below)

An Act to revise certain provisions pertaining to municipal government.

HB 1132 changed or updated many sections of municipal statutes (bill was 20 pages long); however, the changes did not make an substantive changes to the laws related to audits of municipalities.

26

26

Municipalities (Continued)

SENATE BILL 5:

An Act to reduce the amount of time required before the removal of a city manager is effective.

9-10-11. The governing body shall appoint the city manager shall be appointed for an indefinite term but may be removed suspend the manager by resolution of intent to remove the manager approved by a majority vote of the members of the governing body. At least thirty days before such removal may become effective, the manager shall be furnished with a formal statement in the form of a resolution passed by a majority vote of such governing body stating the intention of such governing body to remove him, and the reasons therefor. He The resolution of intent to remove the manager must set forth the reasons for the suspension and proposed removal, and a copy of the resolution must be served immediately upon the manager. The manager may reply in writing to such the resolution and may request a public hearing within fifteen days of being served the resolution. If ~~so~~ a public hearing is requested by the manager, the governing body shall ~~must~~ fix set a time for a the public hearing upon the question of his the manager's removal, and the final resolution removing him shall the manager may not be adopted until such the public hearing has been had occurred.

Upon passage of a resolution stating the governing body's intention to remove the manager, such governing body may suspend him from duty, but his The manager's pay shall ~~must~~ continue until his the manager's removal shall become is effective as herein provided by this section. The action of the governing body in removing the manager shall be is final.

27

27

School Districts

HOUSE BILL 1022:

New Possible Funding for Schools to provide professional development in literacy to teachers.

An Act to make an appropriation to the Department of Education to provide professional development in literacy to teachers, and to declare an emergency.

Section 1. There is hereby appropriated from the general fund the sum of \$6,000,000 to the Department of Education, for the purpose of providing professional development to teachers in the subject of literacy education based on the science of reading.

Section 2. The secretary of the Department of Education shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized by this Act.

Section 3. Any amounts appropriated in this Act not lawfully expended or obligated shall revert in accordance with the procedures prescribed in chapter 4-8.

Section 4. Whereas, this Act is necessary for the support of the state government and its existing public institutions, an emergency is hereby declared to exist, and this Act shall be in full force and effect from and after its passage and approval.

28

28

School Districts (Continued)

SENATE BILL 51:

An Act to revise property tax levies for school districts and to revise the state aid to general and special education formulas.

Changed various levy limits for school districts – All levies decreased, Target Teacher Salary increased:

	OLD	NEW
Max Levy	\$6.11 ^{3/8}	\$5.54 ^{4/10}
Ag. Property Levy	\$1.32	\$1.19 ^{7/10}
Owner Occupied Levy	\$2.95 ^{4/10}	\$2.67 ^{9/10}
Special Education Levy	\$1.57 ^{4/10}	\$1.48 ^{8/10}
Target Teacher Salary	\$59,659.25	\$62,045.62

29

29

School Districts (Continued)

SENATE BILL 212:

Allow for the payment of goods or services by a school district between school board meetings in certain circumstances.

An Act to allow for the payment of goods or services by a school district between school board meetings in certain circumstances.

Section 1. That § 13-18-1 be AMENDED:

13-18-1. School funds shall be paid by the school district business manager only upon check, warrant, or electronic funds transfer approved by the school board.

A school board may authorize the payment of a claim against the school district for goods or services prior to the next board meeting if the board specifies the vendor and the maximum amount allowed for the payment.

30

30

Questions - Discussion

Questions??

Discussion Related to Audit Process in South Dakota.

Discussion of Upcoming Issues Faced by Profession.