



Auditor General Russell Olson



**51<sup>st</sup> Annual DLA Government Audit Workshop  
Summary of Legislation from the 2025 Legislative Session  
Prepared by the Department of Legislative Audit**

Auditor General Russell Olson



# Summary of Legislation from the 2025 Legislative Session

## Objective

- To receive an update on some of the 2025 legislative session bills enacted that may have some ramifications on upcoming audits.

## Agenda

- General Discussion of enacted legislation.

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## 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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# Polling Question

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## Government Generally

**HOUSE BILL 1059: (In part, not entire bill)**

**Clarifies the meaning of teleconference for open meeting requirements.**

**An Act to clarify the meaning of teleconference for purposes of open meeting requirements.**

**...Section 2. That § 1-25-12 be AMENDED:**  
**1-25-12. Terms used in this chapter mean:**

...

(5) "Teleconference," an exchange of information by any audio, video, or electronic medium, including the internet.

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## **Government Generally (Continued)**

### **HOUSE BILL 1072: (See Bill for Changes, Summary Below)**

#### **Revises Water Development District Rules.**

HB 1072 - **An Act to modernize provisions relating to water development districts** – Made changes to the sections of law related to Water Development Districts. It did not make any significant changes to the purpose or operations per statute. If you audit a Water Development District you will want to review and update your documentation.

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## **Government Generally (Continued)**

### **HOUSE BILL 1173: (In part, not entire bill)**

#### **Road District Assessments**

**An Act to eliminate the cap on assessment amounts for road improvements.**

#### **Section 1. That § 31-13-17 be AMENDED:**

**31-13-17.** ~~At the time and place of hearing pursuant to § 31-13-16, the~~ The board of supervisors shall consider the petition. ~~If the supervisors determine it advisable, the~~ at the time of the hearing pursuant to § 31-13-16. The supervisors may, by resolution, assess such the properties in the road district for purposes the purpose of road improvement for an amount as the supervisors determine advisable. The assessment may not exceed the amount set forth in the petition and in no event may the assessment exceed two dollars a foot front in any one calendar year. The assessment shall must be certified to the county and collected as a part of the real estate taxes against the property so assessed and pursuant to § 31-13-52. The assessment may only be used by the township for the purpose of road improvement in the road district, or part thereof, in which assessed

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# **Government Generally (Continued)**

## **HOUSE JOINT RESOLUTION 5003: (In part, not entire resolution)**

Submit to the voters at the next general election an amendment to the Constitution requiring that a constitutional amendment receive an affirmative vote of sixty percent of the votes.

### **Section 2. That Article XXIII, § 3 of the Constitution of the State of South Dakota, be AMENDED:**

§ 3. ~~Any~~ A constitutional amendment or revision must be submitted to the voters and shall ~~become~~ becomes a part of the Constitution only ~~when~~ if approved by a majority of the votes cast ~~thereon~~ an affirmative vote of sixty percent of the votes cast on the question. The Legislature may provide for the withdrawal ~~by its sponsors~~ of an initiated amendment, by its sponsors, at any time prior to its submission to the voters.

# **Government Generally (Continued)**

## **SENATE BILL 13: (In part, not entire bill)**

Sets the effective date of initiated or referred measures – effects Counties and Municipalities

### **Section 1. That § 7-18A-13 be AMENDED:**

7-18A-13. If a petition to initiate is filed with the auditor, the auditor shall present it to the board of county commissioners at its next regular or special meeting. The board ~~shall enact the proposed ordinance or resolution and~~ shall submit it to a vote of the voters in the manner prescribed for a referendum within sixty days after the final enactment. However, if the petition is filed within three months prior to the primary or general election, the ordinance or resolution may be submitted at the primary or general election.

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# **Government Generally (Continued)**

## **SENATE BILL 13: (In part, not entire bill - continued)**

**Sets the effective date of initiated or referred measures – effects Counties and Municipalities**

### **Section 4. That § 9-20-5 be AMENDED:**

**9-20-5.** No initiated ordinance or resolution ~~shall become operative~~ is effective unless approved by a majority of the votes cast for and against the same. ~~If so approved, it shall take effect upon ordinance or resolution. If approved, the ordinance or resolution is effective the day following the completion of the canvass of the election returns relating thereto.~~

### **Section 5. That § 9-20-15 be AMENDED:**

**9-20-15.** No referred ordinance or resolution ~~so submitted shall become operative~~ is effective unless approved by a majority of the votes cast for and against the same. ~~If so approved, it shall take effect upon ordinance or resolution. If approved, the ordinance or resolution is effective the day following the completion of the canvass of the election returns relating thereto.~~

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# **Government Generally (Continued)**

## **SENATE BILL 32: (See Bill for Changes, Summary Below)**

**Revise the Fee Amount for Practice of Accountancy.**

**An Act to revise amounts for licensing fees for the practice of accountancy.**

As I know that we have quite a few CPA's and CPA firms represented with us today, I just wanted to make you aware of the increase in the licensing fee for the practice of accountancy. In general terms, the fee for the issuance or renewal of a certificate went from \$50 to \$100. Other various changes were also in the legislation related to firm permits, exam fees, late fees, etc.

It should be noted the fees have not changed since 2002 (for CPA's) and 2013 (for CPA firms).

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# **Government Generally (Continued)**

**SENATE BILL 74: (In part, not entire bill)**

## **Open Meetings Law.**

**An Act to require the publication and review of an explanation of the open meeting laws of this state.**

**Section 1. That § 1-11-1 be AMENDED:**

**1-11-1.** It is the duty of the attorney general:...

(13) To publish an explanation of the open meeting laws of this state, as found in chapter 1-25, on the attorney general's website each year before January first.

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# **Government Generally (Continued)**

**SENATE BILL 74: (In part, not entire bill) - Continued**

## **Open Meetings Law.**

**Section 2. That a NEW SECTION be added to chapter 1-25:**

Any agency, as defined in § 1-26-1, or political subdivision of this state, that is required to provide public notice of its meetings pursuant to § 1-25-1.1 or 1-25-1.3 must annually review the following, during an official meeting of the agency or subdivision:

- (1) The explanation of the open meeting laws of this state published by the attorney general, pursuant to § 1-11-1; and
- (2) Any other material pertaining to the open meeting laws of this state provided by the attorney general.

The agency or subdivision must include in the minutes of the official meeting an acknowledgement that the review was completed.

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## **Government Generally (Continued)**

### **SENATE BILL 128:**

#### **Official Newspaper.**

An Act to amend requirements for an official newspaper.

#### **Section 1. That § 9-12-6 be AMENDED:**

**9-12-6.** Each municipality shall designate at a meeting of its governing body an official newspaper or newspapers, for all legal and other official notices that must be published by law, for a period of time, not to be less than twelve months, specified by the governing body in a resolution. ~~The newspaper shall be published in the municipality. However, if there is no newspaper published in the municipality, then a newspaper published outside of the municipality may be used if the newspaper serves the municipality.~~

The newspaper must be published in the municipality. If no newspaper is published in the municipality, the municipality shall comply with the requirements provided in § 17-2-11.

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## **Government Generally (Continued)**

### **SENATE BILL 216: (In part, not entire bill)**

**Property Tax Bill – reduce growth, limit increase, school district excess levies, eligibility requirements.**

*There was much discussion and debate about property taxes during this year's legislative session. There were 26 bills or resolutions that had a subject of or related to property taxes. Senate Bill 216 was what some phrased as a compromise to allow for further study and review.*

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# **Government Generally (Continued)**

## **SENATE BILL 216: (In part, not entire bill) - Continued**

**Property Tax Bill – reduce growth, limit increase, school district excess levies, eligibility requirements.**

### **Section 1. That a NEW SECTION be added to chapter [10-6](#):**

For taxes payable in 2027, 2028, 2029, 2030, and 2031, the total assessed value of all property in a county with an owner-occupied single-family dwelling classification, as defined in § [10-13-39](#), may not increase more than three percent over the total assessed value of all property in the county with an owner-occupied single-family dwelling classification in the prior year, except as otherwise provided in this section.

A county may further increase the total assessed value of all property with an owner-occupied single-family dwelling classification by an amount equal to the assessed value of all new improvements made to owner-occupied single-family dwellings or property reclassified to the owner-occupied single-family dwelling classification in the county in the prior year.

Notwithstanding the provisions of this section, a county must adjust the total assessed value of all property with an owner-occupied single-family dwelling classification pursuant to § [10-6-121](#).

# **Government Generally (Continued)**

## **SENATE BILL 216: (In part, not entire bill) - Continued**

**Property Tax Bill – reduce growth, limit increase, school district excess levies, eligibility requirements.**

*For the remainder of the bill, please review the specific legislation. Generally, it limits the tax increases* “For taxes payable in 2027, 2028, 2029, 2030, and 2031, an increase in revenue payable to a taxing district allowed under this paragraph may not exceed three percent.”

# **Municipalities**

## **HOUSE BILL 1079: (In part, not entire bill)**

**An Act to increase the number of off-sale licenses from two to three in municipalities and counties of one thousand or less.**

### **Section 1. That § 35-4-10 be AMENDED:**

**35-4-10.** No more than ~~two~~ three off-sale licenses issued pursuant to subdivisions ~~35-4-2~~(3) and (5) may be issued under this chapter to operate in a municipality of one thousand or less ~~and not exceeding~~. Above this population limit, no more than one license may be issued for every additional fifteen hundred of population or fraction thereof. The number of off-sale licenses may not be less than the total number of licenses allowable as of July 1, 1981, ~~and that which~~ have never been revoked or not reissued.

For ~~the~~ purposes of this section, ~~population is~~ "population" means an amount equal to the population estimates published by the United States Census Bureau for each even-numbered year, except for the decennial year. For a decennial year, population is equal to the amount determined by the decennial federal census.

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# **Municipalities (Continued)**

## **HOUSE BILL 1079: (In part, not entire bill) - Continued**

**An Act to increase the number of off-sale licenses from two to three in municipalities and counties of one thousand or less.**

~~No license issued pursuant to this section that exceeds the number of licenses that would have been issued upon the decennial federal census may be denied or revoked solely by reason that the license issued exceeds the number of licenses authorized by the decennial federal census. If a license issued pursuant to this section exceeds the number of licenses permissible in accordance with the decennial federal census, the license may not be revoked or denied renewal solely because issuance of the license exceeded the permissible number.~~

...

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# **Municipalities (Continued)**

## **SENATE BILL 167:**

**An Act to revise certain provisions pertaining to municipal government.**

### **Section 1. That § 9-6-1 be AMENDED:**

~~9-6-1. Whenever a municipality shall have less than two hundred fifty population, the owners of a majority of the real property therein, both in area and assessed valuation, may petition the circuit court of the county in which such municipality or any part thereof is situated for the dissolution of the municipality. If a municipality has a population of less than two hundred fifty, the owners of a majority of the real property in the municipality, both in area and assessed valuation, may file a petition for the dissolution of the municipality. The petition for dissolution must be filed in the circuit court of the county in which the municipality is situated. If the municipality is located in more than one county, the petition for dissolution may be filed in either county.~~

...

# **School Districts**

## **HOUSE BILL 1004:**

**An Act to provide tuition for a student who is placed in a residential treatment center that provides educational programming.**

### **Section 1. That § 13-28-11 be AMENDED:**

~~13-28-11. If a child is residing in a residential treatment center or an intensive residential treatment center that provides an educational program through a school district, the school district in which the residential treatment center or intensive residential treatment center is located is responsible for providing an educational program for the child.~~

~~Tuition for a child who is entitled to free public school, pursuant to § 13-28-5, and is not placed by an individualized education program team but is, at the time of placement, enrolled in a school district or state-operated school must be paid as provided in § 13-13-87.~~

~~The provisions of this section and § 13-13-87 do not apply to any placement by the Department of Corrections or the Department of Social Services.~~

~~For purposes of this section, the term, school district, means a political subdivision of this state created in accordance with chapter 13-6.~~

~~For purposes of this section, the term, state-operated school, means the South Dakota Human Services Center academic program, the South Dakota School for the Blind and Visually Impaired, or any school so designated by the South Dakota Board of Education Standards.~~

# **School Districts (Continued)**

## **HOUSE BILL 1092:**

### **Possible New Revenue Source for School Districts**

**An Act to make an appropriation for a student teacher stipend grant program.**

**Section 1.** There is appropriated \$500,000 from the general fund, to the Department of Education, for providing student teacher stipend grants to school districts and to department-accredited schools.

**Section 2.** The Department of Education shall provide grants for student teacher stipends in accordance with this Act, to school districts and to department-accredited schools, based on applications received from school districts and from department-accredited schools during the period beginning July first and ending August fifteenth.

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# **School Districts (Continued)**

## **HOUSE BILL 1092: - Continued**

### **Possible New Revenue Source for School Districts**

**Section 3.** Grants provided in accordance with this Act may not exceed \$5,000 per school district or department-accredited school and must be used to provide stipends to one or more student teachers placed in that school district or department-accredited school during the school year immediately following the application period defined in section 2 of this Act. To receive moneys through grants provided in accordance with this Act, an individual must hold either a Student Teacher Permit or an Advanced Student Teacher Permit from the Department of Education. The department may spend up to five percent of the appropriation in section 1 of this Act for costs incurred in administering the grants.

**Section 4.** The secretary of the Department of Education shall approve vouchers and the state auditor shall draw warrants to pay expenditures authorized in 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.** This Act is effective beginning June 30, 2025.

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# **School Districts (Continued)**

## **HOUSE BILL 1093:**

### **New Dates for School District Bond Elections**

**An Act to modify the permissible dates for a school district bond election.**

#### **Section 1. That § 13-16-6.4 be AMENDED:**

~~13-16-6.4.~~ Approval to enter into an agreement or issue capital outlay certificates to which ~~§ 13-16-6.3~~ applies pursuant to § 13-16-6.3 is subject to a referendum if five percent of the registered voters, based upon the total number of registered voters at the last preceding general election, petition, within twenty days thereafter, to have the question of approval or disapproval of to enter into the agreement or issue of capital outlay certificates or the lease-purchase agreement placed upon the ballot at the next regular election or at a special election called for that purpose and held on:

- (1) The first Tuesday after the first Monday in March;
- (2) The first Tuesday after the first Monday in June; or
- (3) The first Tuesday after the first Monday in November. ...

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# **School Districts (Continued)**

## **HOUSE BILL 1093: - Continued**

### **New Dates for School District Bond Elections**

If the bond election is held on a date listed in subdivision (2) or (3) in an even-numbered year, the election must be held in conjunction with the regular primary or general election, respectively. When the election is held in conjunction with the primary or general election, the expenses and governmental responsibilities of a combined election must be shared in a manner agreed upon by the board of the school district and the boards of county commissioners involved.

The business manager shall give notice of the fact that the question will is to be on the ballot at a the regular or special election as provided by law for school elections and prepare official ballots therefor according to the provisions of this title relating to elections and the issue shall be decided by sixty percent of those voting thereon. Approval of the question to enter into an agreement or issue capital outlay certificates requires an affirmative vote of at least sixty percent of those voting on the question.

If the question submitted to the voters at an election is not approved by the voters, the school board may, by resolution, place the question on the ballot at the next available election provided by this section.

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## **School Districts (Continued)**

### **SENATE BILL 55:**

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               | \$5.54 <sup>4/10</sup> | \$5.21 <sup>1/10</sup> |
| Ag. Property Levy      | \$1.19 <sup>7/10</sup> | \$1.12 <sup>5/10</sup> |
| Owner Occupied Levy    | \$2.67 <sup>9/10</sup> | \$2.51 <sup>8/10</sup> |
| Special Education Levy | \$1.48 <sup>8/10</sup> | \$1.46 <sup>2/10</sup> |
| Target Teacher Salary  | \$62,045.625           | \$62,821.19            |

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## **School Districts (Continued)**

### **SENATE BILL 219:**

#### **Require acceptance of cash at school events**

An Act to require the acceptance of a cash payment for admission to a school-affiliated event.

#### **Section 1. That a NEW SECTION be added to chapter 13-1:**

A qualifying school that refuses to accept a cash payment from an individual for admission to a school-affiliated event on the day of the event, must grant the individual admission to the event without charge if:

- (1) The individual demonstrates that the individual has an amount of cash sufficient to pay for the admission fee; and
- (2) Seating to the event is available.

For the purposes of this section, "cash" means any physical coin, currency, or note that is designated as legal tender by federal law.

For the purposes of this section, "qualifying school" means any school district or accredited nonpublic school.

For the purposes of this section, "school-affiliated event" means any athletic competition, play, musical, concert, performance, or other activity occurring in this state, which is conducted or sponsored by the qualifying school, or in which the qualifying school participates, and for which an admission fee that is less than two hundred dollars per individual is charged.

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# Polling Question

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## **Questions - Discussion**

Questions??

Discussion Related to Audit Process in South Dakota.

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