

## **TAXING AND BORROWING AUTHORITY/LIMITATIONS**

### Taxing

The district's taxing authority is established by state law. The district establishes levies in accordance with SDCL 10-12-42, which may change annually with legislative action. The governing body of the school district may impose an excess tax levy (opt-out) with an affirmative two thirds vote of the governing body on or before August first of the year prior to the year taxes are payable. This decision may be referred by the people.

For capital outlay funds, the tax levy cannot exceed 3 dollars per thousand dollars on the taxable valuation of the district, and for special education funds, the tax levy cannot exceed 1.40 dollars per thousand dollars on taxable valuation.

### Borrowing

By law, the Board is permitted to borrow money in anticipation of the collection of taxes for the purpose of securing funds for school operations for the payment of previous loans. The amount of money borrowed cannot exceed the sum of 95 percent of the amount of uncollected taxes levied for the current school fiscal year, plus other uncollected receivables (including state or federal money, not yet received, but) owed to the district.

Established by law.