

PREPARED BY: CITY OF LEAD  
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LEAD, SD 57754  
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## **CITY OF LEAD RESOLUTION #: 2025-04**

### **A RESOLUTION IN SUPPORT TO SOUTH DAKOTA HOUSE BILL 1081**

The City Commission of the City of Lead, a municipal corporation, meeting in regular session on February 18, 2025, pursuant to SDCL 9-19, motion was made by \_\_\_\_, seconded by \_\_\_\_\_ that the following resolution be adopted:

**WHEREAS**, Chapter 10-39 of South Dakota Codified Law creates and regulates a mineral severance tax; and

**WHEREAS**, SDCL 10-39-54: the distribution of proceeds, states that eighty percent of revenues collected shall be deposited in the state general fund, while the remaining twenty percent shall be remitted to the county the precious metals were severed from, until the county has reached a cap of one million dollars and then all future revenues shall be deposited in the state general fund; and

**WHEREAS**, Lawrence County had been receiving 20% of the mineral severance tax until the million dollar cap was met in 1994; and

**WHEREAS**, since 1994 one hundred percent of the mineral severance tax has been going to the state general fund; and

**WHEREAS**, approximately \$54 million dollars has been paid into the state general fund from the mineral severance tax from 2017-2024; and

**WHEREAS**, the cap of one million dollars has never been adjusted to account for inflation; and

**WHEREAS**, the mineral severance tax was initially designed to collect revenue from the extraction of precious metals to support the state and county, being the local community effected; and

**WHEREAS**, the Lawrence County Commission has historically distributed mineral severance tax dollars to local projects that directly support the community of Lead such as the Lead-Deadwood School District, Northern Hills Alliance for children, Black Hills Council of Local Government and the mountain pine beetle remediation efforts; and

**WHEREAS**, the City of Lead has received funding from the mineral severance tax fund as far back as 1991 to be used for local projects including supporting the slide mitigation efforts; and

**WHEREAS**, several Lead businesses have also received past mineral severance tax funds in the form of grants and loans to support economic development in the community; and

**WHEREAS**, increasing the cap from \$1 million to \$3 million is to adjust for inflation from 1989 to 2025; and

**WHEREAS**, modifying the cap to allow a portion of mineral severance tax to be distributed locally and will provide increased financial resources for community development and local initiatives; and

**NOW, THEREFORE, BE IT RESOLVED**, by the Lead City Commission, South Dakota, to officially support House Bill 1081 to increase the mineral severance cap to adjust for the inflation rate.

Those voting aye:

Those voting nay:

Motion carried.

Dated this 18<sup>th</sup> day, of February 2025

CITY OF LEAD:

ATTEST:

\_\_\_\_\_

\_\_\_\_\_

Ron Everett, Mayor

Billie Jo Inhofer, Finance Officer

(SEAL)