

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

822V0847

SENATE ENGROSSED NO. **HCR 1031** - 03/10/2014

Introduced by: Representative May

1 A CONCURRENT RESOLUTION, Urging Congress to provide federal funding in lieu of  
2 property taxes on Indian trust lands.

3 WHEREAS, Jackson County, South Dakota is in imminent danger of bankruptcy; and

4 WHEREAS, approximately 51.6% of the total population of Jackson County lives on  
5 property tax-exempt Indian trust lands; and

6 WHEREAS, approximately 56% of Jackson County's land area is nontaxable land with  
7 approximately 370,759 acres of this land being tribal trust land; and

8 WHEREAS, all Indian trust lands are held in trust for individual Native Americans by the  
9 federal government; and

10 WHEREAS, Indian people living on Indian trust land have no personal obligation to pay  
11 property taxes on these trust lands; and

12 WHEREAS, money derived from property taxes provides the majority of funds for county  
13 services to all residents of the county; and

14 WHEREAS, Indian people who live on trust property in Jackson County are residents and  
15 citizens of the county. They live there, work there, send their children to school there, hold



1 public offices there, recreate there and are part of the local community; and

2 WHEREAS, Indian people who live on trust land consume county public services the same  
3 as other county citizens; and

4 WHEREAS, Jackson County is obligated to provide county service to all residents of the  
5 county including Indian people living on trust lands; and

6 WHEREAS, the federal government pays no compensation to Jackson County for public  
7 services rendered to Indian people; and

8 WHEREAS, a Supreme Court ruling in 1831, *Cherokee Nation versus Georgia*, determined  
9 that the federal government is responsible for all Indian peoples' wants and needs; and

10 WHEREAS, the population of Jackson County is 2,930, and approximately one-half of the  
11 county's population are Native Americans. Only 850 citizens of Jackson County are private land  
12 owners and pay local property taxes. The burden on these tax payers is disproportionate,  
13 inequitable, and overwhelming; and

14 WHEREAS, the economy of Jackson County is agricultural, and there are limited jobs  
15 available for the number of people living there. It is proven that unemployment contributes to  
16 poverty, alcoholism, drug use, violence, and crime; and

17 WHEREAS, crime is increasing rapidly due to unemployment, alcoholism, and drug use.  
18 Three years ago Jackson County was averaging two prisoners daily. Currently, the average is  
19 three prisoners per day at \$50/day. Jail costs have increased from \$27,037 in 2012 to \$50,288  
20 in 2013; and

21 WHEREAS, Jackson County paid \$43,358 in 2012 and \$45,567 in 2013 for court-appointed  
22 attorneys. The only attorney residing in Jackson County is the county states attorney/prosecutor.

23 WHEREAS, the current annual real estate property taxes for Jackson County are \$2.07  
24 million with \$802,400 to the county, \$992,700 to the school districts, \$1,600 to the townships,

1 \$270,000 to the towns, and \$7,100 to the water district; and

2 WHEREAS, the property tax loss due to trust lands in Jackson County is estimated at nearly  
3 \$1.07 million annually; and

4 WHEREAS, the federal government is effectively meeting its financial obligation on Indian  
5 reservations, but has abdicated its financial responsibility to counties with substantial Indian  
6 trust land within their county boundaries; and

7 WHEREAS, the county has opted-out of the state imposed property tax freeze for \$150,000  
8 annually for the past five years. Five years prior to this the county had opted-out of the state  
9 imposed property tax freeze for \$100,000 annually for five years. The opt-out is a temporary  
10 stopgap measure with a renewed opt-out planned beginning in 2015. The new opt-out may be  
11 challenged, and may be defeated by a public referendum; and

12 WHEREAS, the 850 property owners in the county will be disproportionately and unfairly  
13 impacted by the proposed property tax increase; and

14 WHEREAS, if the opt-out is defeated, Jackson County will most be likely be bankrupt by  
15 2015 or 2016:

16 NOW, THEREFORE, BE IT RESOLVED, by the House of Representatives of the Eighty-  
17 Ninth Legislature of the State of South Dakota, the Senate concurring therein, that the South  
18 Dakota Legislature urgently requests that the Congress of the United States live up to its  
19 obligation under the Supreme Court decision in *Cherokee Nation versus Georgia, 1831*, and  
20 provide adequate funding for county services provided to Indian people living on trust lands in  
21 Jackson County and other South Dakota counties, if not in a direct payment of property taxes  
22 then in some form of impact aid to the county similar to impact aid for schools; and

23 BE IT FURTHER RESOLVED, that the South Dakota Legislature recognizes the fact that  
24 numerous other South Dakota counties are also impacted by trust land issues and face

1 challenges similar to those facing Jackson County.