

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

258V0018

SENATE BILL NO.

# 1

Introduced by: Task Force

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the assessment and  
2 taxation of agricultural property.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 13-10-6 be amended to read as follows:

5 13-10-6. For the purpose of continuing a fund for the payment of pensions to retired  
6 employees of a school district that has established such system, the school district may levy an  
7 annual tax not exceeding thirty cents per thousand dollars of taxable valuation of the school  
8 district for the current year. The levy may not be included in determining the tax levy limitation  
9 of the school district provided by law. Moneys collected from the tax shall be kept by the  
10 business manager in a special pension fund and may not be used for any other purpose except  
11 upon discontinuance of the pension system by the school district, in which case any unexpended  
12 balance shall be transferred to the general fund.

13 For taxes payable in 2011, the total amount of revenue payable from the levy provided in  
14 this section may not increase more than the lesser of three percent or the index factor, as defined  
15 in § 10-13-38, over the maximum amount of revenue that could have been generated for the  
16 taxes payable in 2010. After applying the index factor, a school district may increase the revenue



1 payable from taxes on real property above the limitations provided by this section by the  
2 percentage increase of value resulting from any improvements or change in use of real property,  
3 annexation, minor boundary changes, and any adjustments in taxation of real property separately  
4 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,  
5 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value.

6 For taxes payable in 2012, ~~2013, 2014, and 2015~~, to 2019, inclusive, the total amount of  
7 revenue payable from the levy provided in this section may not increase more than the lesser of  
8 three percent or the index factor, as defined in § 10-13-38, over the maximum amount of  
9 revenue that could have been generated for the taxes payable in 2010 plus any unused index  
10 factor from the previous years. After applying the index factor, a school district may increase  
11 the revenue payable from taxes on real property above the limitations provided by this section  
12 by the percentage increase of value resulting from any improvements or change in use of real  
13 property, annexation, minor boundary changes, and any adjustments in taxation of real property  
14 separately classified and subject to statutory adjustments and reductions under chapters 10-4,  
15 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal  
16 value.

17 Any school district created or reorganized after January 1, 2009, is exempt from the  
18 limitation provided by this section for a period of two years immediately following its creation.

19 For taxes payable in 2011, ~~2012, 2013, 2014, and 2015~~, to 2019, inclusive, the levy  
20 limitation of thirty cents per thousand dollars of taxable valuation does not apply to any school  
21 district.

22 Section 2. That § 13-16-7 be amended to read as follows:

23 13-16-7. The school board of any school district of this state may at its discretion authorize  
24 an annual levy of a tax not to exceed three dollars per thousand dollars of taxable valuation on

1 the taxable valuation of the district for the capital outlay fund for assets as defined by § 13-16-6  
2 or for its obligations under a resolution, lease-purchase agreement, capital outlay certificate, or  
3 other arrangement with the Health and Educational Facilities Authority. Taxes collected  
4 pursuant to such levy may be irrevocably pledged by the school board to the payment of  
5 principal of and interest on installment purchase contracts or capital outlay certificates entered  
6 into or issued pursuant to § 13-16-6 or 13-16-6.2 or lease-purchase agreements or other  
7 arrangement with the Health and Educational Facilities Authority and, so long as any capital  
8 outlay certificates are outstanding, installment agreement payments, lease-purchase agreements,  
9 or other arrangements are unpaid, the school board of any district may be compelled by  
10 mandamus or other appropriate remedy to levy an annual tax sufficient to pay principal and  
11 interest thereon, but not to exceed the three dollars per thousand dollars of taxable valuation in  
12 any year authorized to be levied hereby.

13 For taxes payable in 2011, the total amount of revenue payable from the levy provided in  
14 this section may not increase more than the lesser of three percent or the index factor, as defined  
15 in § 10-13-38, over the maximum amount of revenue that could have been generated for the  
16 taxes payable in 2010. After applying the index factor, a school district may increase the revenue  
17 payable from taxes on real property above the limitations provided by this section by the  
18 percentage increase of value resulting from any improvements or change in use of real property,  
19 annexation, minor boundary changes, and any adjustments in taxation of real property separately  
20 classified and subject to statutory adjustments and reductions under chapters 10-4, 10-6, 10-6A,  
21 and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal value. A school  
22 district may increase the revenue it receives from taxes on real property above the limit provided  
23 by this section for taxes levied to pay the principal, interest, and redemption charges on any  
24 bonds issued after January 1, 2009, which are subject to referendum; for scheduled payment

1 increases on bonds, and for a levy directed by the order of a court for the purpose of paying a  
2 judgment against the school district. Any school district created or reorganized after January 1,  
3 2009, is exempt from the limitation provided by this section for a period of two years  
4 immediately following its creation.

5 For taxes payable in 2012, ~~2013, 2014, and 2015~~, to 2019, inclusive, the total amount of  
6 revenue payable from the levy provided in this section may not increase more than the lesser of  
7 three percent or the index factor, as defined in § 10-13-38, over the maximum amount of  
8 revenue that could have been generated for the taxes payable in 2010 plus any unused index  
9 factor from the previous years. After applying the index factor, a school district may increase  
10 the revenue payable from taxes on real property above the limitations provided by this section  
11 by the percentage increase of value resulting from any improvements or change in use of real  
12 property, annexation, minor boundary changes, and any adjustments in taxation of real property  
13 separately classified and subject to statutory adjustments and reductions under chapters 10-4,  
14 10-6, 10-6A, and 10-6B, except § 10-6-31.4, only if assessed the same as property of equal  
15 value. A school district may increase the revenue it receives from taxes on real property above  
16 the limit provided by this section for taxes levied to pay the principal, interest, and redemption  
17 charges on any bonds issued after January 1, 2009, which are subject to referendum, scheduled  
18 payment increases on bonds and for a levy directed by the order of a court for the purpose of  
19 paying a judgment against such school district. Any school district created or reorganized after  
20 January 1, 2009, is exempt from the limitation provided by this section for a period of two years  
21 immediately following its creation.

22 For taxes payable in 2011, ~~2012, 2013, 2014, and 2015~~, to 2019, inclusive, the levy  
23 limitation of three dollars per thousand dollars of taxable valuation does not apply to any school  
24 district.

1 Section 3. That § 13-16-7.1 be amended to read as follows:

2 13-16-7.1. For taxes payable in 2014 ~~and 2015~~ to 2019, inclusive, the provisions of §§ 13-  
3 10-6 and 13-16-7 that limit the maximum amount of revenue that may be generated by the  
4 pension and capital outlay tax levies do not apply to any school district that has less than a ten  
5 percent change in the total taxable valuation from the previous year of all real property in the  
6 school district, not including the increase of value resulting from any improvements or change  
7 in use of real property.

8 Section 4. That section 4 of chapter 40 of the 2009 Session Laws and section 3 of chapter  
9 44 of the 2008 Session Laws be repealed.

10 Section 5. That § 10-6-31 be amended to read as follows:

11 10-6-31. For the purposes of taxation, all property is hereby classified into the following  
12 classes:

- 13 (1) Agricultural property;
- 14 (2) Nonagricultural property; and
- 15 (3) Owner-occupied single-family dwellings; ~~and~~
- 16 ~~(4) Nonagricultural acreage property.~~

17 Agricultural property includes all property and land used exclusively for agricultural  
18 purposes, both tilled and untilled, and the improvements on the land. However, agricultural  
19 property does not include any normally occupied dwelling or automobile garage or portion of  
20 a building used for that purpose by the occupant of such dwelling. Owner-occupied single-  
21 family dwellings include all property classified pursuant to § 10-13-39 ~~and nonagricultural~~  
22 ~~acreage property includes all property classified pursuant to § 10-6-33.14.~~

23 Nonagricultural property includes all other property not otherwise classified.

24 The director of equalization in listing and assessing all property to which this section applies

1 shall designate opposite each description the class to which the property belongs.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

942V0029

HOUSE BILL NO.

# 2

Introduced by: Rep. Peterson

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the adjustments to  
2 the general fund levies of school districts.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 13-13-72.1 be amended to read as follows:

5 13-13-72.1. Any adjustments in the levies specified in § 10-12-42 made pursuant to §§ 13-  
6 13-71 and 13-13-72 shall be based on maintaining the relationship between statewide local  
7 effort as a percentage of statewide local need in the fiscal year succeeding the fiscal year in  
8 which the adjustment is made. However, for fiscal year 2013 and each year thereafter, if the  
9 levies specified in § 10-12-42 are not adjusted to maintain this relationship, the per student  
10 allocation as defined in § subdivision 13-13-10.1(4) shall be reduced to maintain the  
11 relationship between statewide local effort as a percentage of statewide local need. ~~Any~~  
12 ~~adjustment to the levy for agricultural property shall be based upon the change in the statewide~~  
13 ~~agricultural taxable valuation and the reclassification of agricultural property to another property~~  
14 ~~classification. Any adjustment to the levies for nonagricultural property and owner-occupied~~  
15 ~~single-family dwellings shall be based upon the change in the statewide nonagricultural property~~  
16 ~~and owner-occupied single-family dwellings taxable valuations. However, if any new project~~



1 with a total taxable valuation of one hundred fifty million dollars or more is constructed, the  
2 levies shall be proportionately decreased for agricultural property, nonagricultural property, and  
3 owner-occupied single-family dwellings. In addition to the adjustments in the levies provided  
4 by this section, the levies shall also be annually adjusted as necessary to reduce the portion of  
5 local need paid by local effort by an amount equal to nine million dollars from those funds  
6 transferred into the property tax reduction fund pursuant to § 10-50-52 subsequent to July 1,  
7 2007. In addition to the adjustments in the levies provided by this section, the levies for  
8 nonagricultural property and owner-occupied single-family dwellings shall also be adjusted as  
9 necessary to account for the additional increase in the total assessed value for nonagricultural  
10 property and owner-occupied single-family dwellings pursuant to the phasing out and repeal of  
11 the provisions provided in § 10-6-74.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

267V0006

HOUSE BILL NO.

# 3

Introduced by: Paul Dennert

1 FOR AN ACT ENTITLED, An Act to require payment of certain property taxes if agricultural  
2 land is changed to another classification of property.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 The director of equalization shall assess agricultural land based on its agricultural income  
7 value pursuant to § 10-6-33.28 and the land's fair market value based on its use for  
8 nonagricultural purposes. The fair market value of the land based on its use for nonagricultural  
9 purposes is its deferred taxable value. The assessor shall maintain a record of the deferred  
10 taxable value until the agricultural land's use is changed to another classification of property.  
11 After the land's classification has changed, the director of equalization shall provide the deferred  
12 taxable value for the previous three years to the county auditor. The county auditor shall  
13 calculate the total amount of property tax due during that period by applying the property tax  
14 levies for the previous three years to the deferred taxable value for each respective year. The  
15 owner shall receive credit for the property taxes paid based on its assessed value as agricultural  
16 land. The owner of the property at the time the change in property classification occurs shall pay



1 to the county treasurer the difference between the deferred property taxes and the credit received  
2 for the taxes paid.

3 Section 2. That chapter 10-21 be amended by adding thereto a NEW SECTION to read as  
4 follows:

5 Any property taxes which the owner of the property is required to pay property taxes to the  
6 county pursuant to this section 1 of this Act shall become a lien on the property for which the  
7 property taxes were deferred. The county shall file a copy of the lien with the register of deeds  
8 if the property taxes are not paid by the owner. No property for which the owner has failed to  
9 pay the property taxes owed pursuant to this Act may be transferred until the property taxes are  
10 paid in full. The owner of the property may appeal the deferred taxable value of the property  
11 established pursuant to section 1 of this Act in the same manner as other property values are  
12 appealed.

13 Section 3. That chapter 10-21 be amended by adding thereto a NEW SECTION to read as  
14 follows:

15 Any property tax revenue received by the county pursuant to this Act shall be deposited into  
16 the county general fund.

17 Section 5. This Act is effective on July 1, 2016.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

492V0024

SENATE BILL NO.

# 4

Introduced by: Sen. Novstrup

1 FOR AN ACT ENTITLED, An Act to revise the rate of which the annual earning capacity of  
2 agricultural land may be capitalized for the purpose of assessing the property.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-6-33.28 be amended to read as follows:

5 10-6-33.28. Notwithstanding the provisions of § 10-6-33, beginning on July 1, 2009,  
6 agricultural land shall be assessed based on its agricultural income value on a per acre basis. The  
7 agricultural income value of agricultural land shall be determined on the basis of productivity  
8 and the annual earnings capacity of the agricultural land. The productivity of agricultural land  
9 and its annual earning capacity shall be based on data collected and analyzed pursuant to this  
10 section and §§ 10-6-33.29 to 10-6-33. 33, inclusive.

11 Agricultural income value is defined as the capitalized annual earning capacity on a per acre  
12 basis which has been adjusted by an amount that reflects the landowner's share of the gross  
13 return. The capacity of cropland to produce agricultural products shall be based on the income  
14 from crops or plants produced on the land. The capacity of noncropland to produce agricultural  
15 products shall be based on cash rents or the animal unit carrying capacity of the land, or a  
16 combination of both. For the purpose of this section, annual earning capacity for:



- 1 (1) Cropland is thirty-five percent of the annual gross return to the land; and
- 2 (2) Noncropland is one hundred percent of the annual gross return to the land based on
- 3 cash rent for noncropland.

4 The annual earning capacity shall be capitalized at a rate of six ~~and six-tenths~~ percent to  
5 determine the agricultural income value.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

609V0033

SENATE BILL NO.

# 5

Introduced by: Sen. Novstrup

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the determination  
2 of the agricultural income value for assessing agricultural land.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-6-33.29 be amended to read as follows:

5 10-6-33.29. The secretary of revenue shall enter into contracts with South Dakota State  
6 University and, if necessary, the South Dakota Agricultural Statistics Service for the purpose  
7 of creating a database to determine the agricultural income value of agricultural land by county.  
8 The cropland data may include: acres planted, acres harvested, yield per acre, and statewide crop  
9 prices. The noncropland data may include: cash rents, rangeland acres, pastureland acres,  
10 rangeland AUM's per acre, pastureland AUM's per acre, grazing season data, and statewide cow  
11 and calf prices. The Agricultural Land Assessment Implementation and Oversight Advisory  
12 Task Force may recommend other cropland and noncropland data to the Legislature for  
13 subsequent use in the database. The secretary shall have such data collected for 2001, which will  
14 serve as the first year of the database, and each year thereafter. The database shall consist of the  
15 most recent eight five years of data that have been collected and the two years, one year  
16 representing the highest agricultural income value and one year representing the lowest



1 agricultural income value, shall be discarded from the database. The database for the 2010  
2 assessment for taxes payable in 2011 shall consist of data from 2001 to 2008, inclusive, and the  
3 database for each assessment year thereafter shall be adjusted accordingly. South Dakota State  
4 University shall provide the data for each county to the secretary of revenue by June first of each  
5 year.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

690V0025

SENATE BILL NO.

#6

Introduced by: Sen. Navstrup

1 FOR AN ACT ENTITLED, An Act to revise certain limitations concerning the application of  
2 the agricultural income value which is used to establish the assessed value of cropland and  
3 noncropland.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as  
6 follows:

7 Notwithstanding the provisions § 10-6-77, for the taxes payable:

- 8 (1) In 2016 the total taxable value of cropland within any county may not be less than  
9 seventy-five percent of its full agricultural income value;
- 10 (2) In 2016 the total taxable value of noncropland within any county may not be less than  
11 seventy-five percent of its full agricultural income value;
- 12 (3) In 2017 the total taxable value of cropland within any county may not less be than  
13 ninety percent of its full agricultural income value;
- 14 (4) In 2017 the total taxable value of noncropland within any county may not be less than  
15 ninety percent of its full agricultural income value;
- 16 (5) In 2018 the total taxable value of cropland within any county shall be assessed at its



1 full agricultural income value; and

2 (6) In 2018 the total taxable value of noncropland within any county shall be assessed

3 at its full agricultural income value.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

843V0089

HOUSE BILL NO.

# 7

Introduced by: Sen. Novstrup

1 FOR AN ACT ENTITLED, An Act to revise the title of the task force responsible for  
2 implementing and overseeing the assessment of agricultural land and to assign the task force  
3 certain other oversight responsibilities.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That § 10-6-33.35 be amended to read as follows:

6 10-6-33.35. There is hereby established the ~~Agricultural Land Assessment Implementation~~  
7 ~~and Oversight Advisory~~ Property Assessment Task Force. The task force shall consist of the  
8 following fourteen members:

9 (1) The speaker of the House of Representatives shall appoint four members of the  
10 House of Representatives, no more than two of whom may be from one political  
11 party;

12 (2) The speaker of the House of Representatives shall appoint three members of the  
13 general public, at least one of the members shall have an agricultural background and  
14 at least one of the members shall have a business background;

15 (3) The president pro tempore of the Senate shall appoint four members of the Senate,  
16 no more than two of whom may be from one political party; and



1 (4) The president pro tempore of the Senate shall appoint three members of the general  
2 public, at least one of the members shall have an agricultural background and at least  
3 one of the members shall have a business background.

4 The initial appointments shall be made no later than July 1, 2008, and shall serve until  
5 January 12, 2009. The speaker of the House of Representatives and president pro tempore of the  
6 Senate before the close of each regular session of the Legislature held in odd-numbered years  
7 shall appoint members to the task force for a term of two years. If there is a vacancy on the task  
8 force, the vacancy shall be filled in the same manner as the original appointment.

9 The task force shall advise the department regarding the rules promulgated by the  
10 department to administer the provisions concerning the equal and uniform assessment and  
11 ~~taxation of agricultural lands~~ of all real property and shall review the implementation of the  
12 provisions of law concerning the assessment and taxation of ~~agricultural land~~ real property. The  
13 task force shall report to the Senate and House of Representatives and may submit a copy of its  
14 report to the Governor. The task force may present draft legislation and policy recommendations  
15 to the Legislative Research Council Executive Board.

16 The task force shall make recommendations in the following areas:

17 (1) The proper percentage of annual earning capacity to be used to determine the  
18 agricultural income value pursuant to § 10-6-33.28;

19 (2) The proper capitalization rate in order to have total taxable valuation for the taxes  
20 payable in 2011 from agricultural property be not more than total taxable valuation  
21 for the taxes payable in 2010 from agricultural property plus the estimated growth in  
22 agricultural property value in 2010;

23 (3) The changes, if any, that must be made to §§ 13-10-6, 13-16-7, 13-37-16, and 13-37-  
24 35.1 to ensure that the total amount of additional taxes that may be generated on

1 agricultural land by a school district pursuant to the provisions of §§ 13-10-6, 13-16-  
2 7, 13-37-16, and 13-37-35.1 will not provide a substantial property tax revenue  
3 increase for the school district pursuant to the implementation of the productivity  
4 system pursuant to §§ 10-6-33.28 to 10-6-33.33, inclusive;

5 (4) The changes, if any, that must be made to §§ 13-10-6, 13-16-7, 13-37-16, and 13-37-  
6 35.1 to ensure that the total amount of property taxes that may be lost on agricultural  
7 land by a school district pursuant to the provisions of §§ 13-10-6, 13-16-7, 13-37-16,  
8 and 13-37-35.1 will not provide a substantial property tax revenue decrease for the  
9 school district pursuant to the implementation of the productivity system pursuant to  
10 §§ 10-6-33.28 to 10-6-33.33, inclusive; and

11 (5) The equal and uniform assessment of all real property; and

12 (6) The distribution of the local effort for the general fund of school districts between the  
13 classifications of real property as provided by § 13-13-72.1 which establishes the real  
14 property tax contribution from agricultural property for the general fund of school  
15 districts as a fixed ratio of the total local effort for such levies. The task force shall  
16 also consider the other taxes paid by agricultural property, the relationship of the total  
17 assessed value of agricultural property to the total assessed value of all real property,  
18 and other factors the task force deems appropriate.

19 Section 2. That § 10-6-33.13 be amended to read as follows:

20 10-6-33.13. The secretary of revenue may promulgate rules pursuant to chapter 1-26  
21 concerning the:

22 (1) Collection and tabulation of information required to determine median appraisal or  
23 sales assessment ratio, and coefficient of dispersion;

24 (2) Criteria to be included in a compliance audit of assessment practices;

- 1 (3) Conditions under which a certificate of compliance may be issued to a county;
- 2 (4) Procedures for determining the valuation of agricultural buildings and structures;
- 3 (5) Procedures for determining the valuation of dwellings on agricultural land and  
4 automobile garages or portions of buildings used as automobile garages;
- 5 (6) Application of cropland and noncropland income values;
- 6 (7) Application of soil classification standards; and
- 7 (8) Procedures for making adjustments to the value of agricultural land pursuant to  
8 §§ 10-6-33.28 to 10-6-33.33, inclusive.

9 Before the secretary promulgates any rules pursuant to subdivision (4) to (8), inclusive, the  
10 secretary shall present the proposed rules to the ~~Agricultural Land Assessment Implementation~~  
11 ~~and Oversight Advisory~~ Property Assessment Task Force established pursuant to § 10-6-33.35.

12 Section 3. That § 10-6-33.29 be amended to read as follows:

13 10-6-33.29. The secretary of revenue shall enter into contracts with South Dakota State  
14 University and, if necessary, the South Dakota Agricultural Statistics Service for the purpose  
15 of creating a database to determine the agricultural income value of agricultural land by county.  
16 The cropland data may include: acres planted, acres harvested, yield per acre, and statewide crop  
17 prices. The noncropland data may include: cash rents, rangeland acres, pastureland acres,  
18 rangeland AUM's per acre, pastureland AUM's per acre, grazing season data, and statewide cow  
19 and calf prices. The ~~Agricultural Land Assessment Implementation and Oversight Advisory~~  
20 Property Assessment Task Force may recommend other cropland and noncropland data to the  
21 Legislature for subsequent use in the database. The secretary shall have such data collected for  
22 2001, which will serve as the first year of the database, and each year thereafter. The database  
23 shall consist of the most recent eight years of data that have been collected and the two years,  
24 one year representing the highest agricultural income value and one year representing the lowest

1 agricultural income value, shall be discarded from the database. The database for the 2010  
2 assessment for taxes payable in 2011 shall consist of data from 2001 to 2008, inclusive, and the  
3 database for each assessment year thereafter shall be adjusted accordingly. South Dakota State  
4 University shall provide the data for each county to the secretary of revenue by June first of each  
5 year.

6 Section 4. That § 10-6-33.30 be amended to read as follows:

7 10-6-33.30. The economics department of South Dakota State University shall submit  
8 recommendations to the ~~Agricultural Land Assessment Implementation and Oversight Advisory~~  
9 Property Assessment Task Force by November 1, 2008, regarding factors to use for the  
10 percentage of annual earning capacity to be used to determine the agricultural income value of  
11 the land pursuant to § 10-6-33.28 and other provisions used to assess agricultural land that will  
12 provide the least amount of shift between cropland and noncropland on a statewide basis.  
13 Thereafter, the economics department shall submit such recommendations, if any, to the task  
14 force by September first of each year.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

951V0023

HOUSE BILL NO.

# 8

Introduced by: Lyle Perman

1 FOR AN ACT ENTITLED, An Act to provide for the assessment of certain agricultural land  
2 as noncropland.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as  
5 follows:

6 Notwithstanding the provisions § 10-6-33.32, any agricultural land which has been seeded  
7 to grass for at least ten years or is native grassland shall be categorized as noncropland for the  
8 purposes of determining the agricultural income value of the land pursuant to §§ 10-6-33.28 to  
9 10-6-33.33, inclusive. If the land meets this criteria and has not been categorized as  
10 noncropland, the owner may request the director of equalization before August first to  
11 specifically categorize the land as noncropland. If the director of equalization determines that  
12 such land meets the criteria provided by this section, the director of equalization shall assess the  
13 land as noncropland for the following assessment of property on November first. An aggrieved  
14 person may appeal the decision of the director pursuant to chapter 1-26D. The director shall act  
15 upon the owner's request within sixty days of the date of the request.

16 Section 2. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as



1 follows:

2 Any person who has land categorized as noncropland pursuant to section 1 of this Act and  
3 changes the use of the land to cropland or another use shall notify the director of equalization  
4 by August first. Any person who has land categorized as noncropland for assessment purposes  
5 by misrepresenting the facts as to the use of the land shall be assessed a penalty equal to ten  
6 dollars per thousand dollars of taxable valuation on the land per year, which assessment shall  
7 become a perpetual lien on the property pursuant to § 10-21-33. When assessing the penalty  
8 imposed by this section, the land's taxable valuation shall be based on its:

- 9 (1) Cropland assessed valuation, if the land was used as cropland; or  
10 (2) Market assessed valuation, if the land was not used for agricultural purposes.

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

690V0022

HOUSE BILL NO.

# 9

Introduced by: Lyle Perman

1 FOR AN ACT ENTITLED, An Act to assess agricultural land based on its actual use.

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

3 Section 1. That § 10-6-33.32 be amended to read as follows:

4 10-6-33.32. Agricultural land shall be divided by the director of equalization into categories,  
5 including cropland and noncropland. The categories shall reflect the actual use of the  
6 agricultural land by the owner or operator of the land. Each category shall be divided into  
7 classes based on soil classification standards developed by the United States Department of  
8 Agriculture Natural Resources Conservation Service.

9 If the director of equalization has not divided the land into a category based on its actual use,  
10 the owner or operator of the land may request the director of equalization to change the category  
11 assigned to the land. Beginning on July 1, 2015, any person who has land categorized as  
12 noncropland and changes the use of the land to cropland or another use shall notify the director  
13 of equalization by August first. Beginning on July 1, 2015, any person who has land categorized  
14 as cropland and changes the use of the land to noncropland or another use shall notify the  
15 director of equalization by August first.

