

# State of South Dakota

SEVENTY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 1999

555C0055

## SENATE BILL NO. 1

Introduced by: Senators Olson, Brosz, and Dennert and Representatives Diedrich (Larry), Broderick, Chicoine, Cutler, Monroe, Smidt, and Waltman at the request of the Interim Taxation Committee

1 FOR AN ACT ENTITLED, An Act to revise the procedure for the valuation of agricultural  
2 land.

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 Any agricultural land, as defined in § 10-6-31.3, which sells for more than one hundred fifty  
7 percent of its agricultural income value, may not be used for the purpose of valuing agricultural  
8 land. The agricultural income value shall be determined pursuant to § 10-6-33.15.

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

11 The sale of any land which is not used for purpose of valuing agricultural land pursuant to  
12 section 1 of this Act may not be used in any sales ratio study.

13 Section 3. That § 10-6-33.15 be amended to read as follows:

14 10-6-33.15. For the purposes of § 10-6-33.14 and section 1 of this Act, the agricultural  
15 income value shall be determined using capitalized actual annual cash rent. The actual annual  
16 cash rent is the actual annual cash rent, excluding the ~~actual~~ average county tax per acre ~~tax~~ on

1 agricultural land, determined through an analysis of actual arm's length rental agreements  
2 collected within the county in the year prior to the year for which the income value is being  
3 determined. The annual cash rent shall be capitalized at eight percent.