

# State of South Dakota

SEVENTY-FIFTH SESSION  
LEGISLATIVE ASSEMBLY, 2000

285D0034

## HOUSE ENGROSSED NO. **HB1004** - 1/20/00

Introduced by: Representatives McNenny, Chicoine, Engbrecht, Juhnke, Lintz, Sebert, Slaughter, Sutton (Duane), Waltman, and Young and Senators Symens, Madden, Paisley, and Vitter at the request of the Interim Tax Assessment Committee

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

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

4 Section 1. That § 10-6-3 be repealed.

5 ~~—10-6-3. So as to remain consistent with the intents and purposes of chapter 32-6B, the~~  
6 "assessment date" within the meaning of said chapter shall be January second.

7 Section 2. That § 10-6-6 be repealed.

8 ~~—10-6-6. The director of equalization shall call at the office, place of business, or residence of~~  
9 ~~each person required by this chapter to list property and list his name, and shall require such~~  
10 ~~person to make a correct statement of his property in accordance with the provisions of this~~  
11 ~~chapter, and every person so required shall enter a true and correct statement of such property~~  
12 ~~in the form prescribed, which statement shall be signed and verified by the oath of the person~~  
13 ~~listing the property and delivered to the director, who shall thereupon assess the value of such~~  
14 ~~property and enter the same in his books. If any property is assessed on or after the last day of~~  
15 ~~June, and before the return of the director's books, the same shall be as legal and binding as if~~

1 assessed before that time.

2 Section 3. That § 10-6-9 be repealed.

3 ~~10-6-9. Whenever one member of a firm, or one of the proper officers of a corporation, has~~  
4 ~~made a statement showing the property of the firm, another officer need not include such~~  
5 ~~property in the statement made by him; but this statement must show the name of the person or~~  
6 ~~officer who made the statement in which such property is included. The fact that such statement~~  
7 ~~is not required, or that a person has not made such statement under oath, or otherwise, does not~~  
8 ~~relieve his property from taxation.~~

9 Section 4. That § 10-6-17 be repealed.

10 ~~10-6-17. If any person required to list property for taxation is prevented by sickness or~~  
11 ~~absence from giving to the director of equalization such statement, such person or his agent~~  
12 ~~having charge of such property may, at any time before the extension of taxes thereon by the~~  
13 ~~county auditor, make out and deliver to the county auditor a statement of the same as required~~  
14 ~~by this chapter, and the county auditor in such case shall make an entry thereof and correct the~~  
15 ~~corresponding item or items in the return made by the director, as the case may require; but no~~  
16 ~~such statement shall be received by the county auditor from any person who refused or neglected~~  
17 ~~to make oath to his statement when required by the director as provided herein, nor from any~~  
18 ~~person unless he makes and files with the county auditor an affidavit that he was absent from his~~  
19 ~~third class municipality or district without design to avoid the listing of his property, or was~~  
20 ~~prevented by sickness from giving the director the required statement when called upon for that~~  
21 ~~purpose.~~

22 Section 5. That § 10-6-25 be amended to read as follows:

23 10-6-25. For the purpose of properly assessing property for taxation and equalizing and  
24 collecting taxes, the county director of equalization or ~~his~~ the director's deputy shall personally  
25 inspect and examine all property listed and assessed. The director or ~~his~~ the director's deputies

1 may inspect and examine the records of all public offices and the books and papers relating to  
2 the fair market value of the property being assessed of all corporations, banks, and taxpayers in  
3 this state, without charge. The director or ~~his~~ the director's deputies ~~or municipal assessor~~ may  
4 administer oaths or affirmation to any ~~and all persons~~ person in the discharge of their duties.

5 Section 6. That § 10-6-25.1 be repealed.

6 ~~—10-6-25.1. If a municipality employs an assessor, the municipal assessor shall use the identical~~  
7 ~~property classifications, assessment practices, and assessment documents as the county director~~  
8 ~~of equalization.~~

9 Section 7. That § 10-6-25.2 be repealed.

10 ~~—10-6-25.2. If a county contains a municipality that employs a municipal assessor, the county~~  
11 ~~shall complete a reappraisal of the entire county, including all municipalities, within three years~~  
12 ~~of July 1, 1989. If an independent party is employed to conduct any or all of the reappraisal, a~~  
13 ~~municipality with an assessor shall be consulted prior to the selection. A municipality with an~~  
14 ~~assessor shall pay a proportionate share of the cost of the reappraisal.~~

15 Section 8. That § 10-6-29 be repealed.

16 ~~—10-6-29. The director, when requested, shall deliver to the person assessed a copy of the~~  
17 ~~statement of property required in § 10-6-28, showing the valuation of the property so listed,~~  
18 ~~which copy shall be signed by the director.~~

19 Section 9. That § 10-6-33.11 be repealed.

20 ~~—10-6-33.11. The value determined for agricultural land pursuant to this chapter may not be~~  
21 ~~placed on the property cards or used as a basis for taxation before January 1, 1992.~~

22 Section 10. That § 10-6-34 be repealed.

23 ~~—10-6-34. Money subject to tax shall be entered in the statement at the full amount thereof.~~  
24 ~~Every credit for a sum certain, payable in money, property of any kind, labor, or services, shall~~  
25 ~~be valued at the current price of the same so payable; if for a specific article or specific number~~

1 ~~or quantity of any article or property, or for a certain amount of labor, or for services of any~~  
2 ~~kind, it shall be valued at the current price of such property, or for such labor or services at the~~  
3 ~~place where payable.~~

4 Section 11. That § 10-6-35.1 be amended to read as follows:

5 10-6-35.1. ~~All~~ Any new industrial structures, or additions to existing structures which new  
6 ~~structures or additions have~~ structure, or an addition to an existing structure which new structure  
7 or addition has a true and full value of thirty thousand dollars or more, added to real property  
8 ~~are~~ is specifically classified for the purpose of taxation.

9 ~~— All real property qualifying under this section not completed before January 1, 1974, as~~  
10 ~~determined by the director of equalization shall be classified in the manner prescribed in this~~  
11 ~~section.~~

12 Section 12. That § 10-6-35.2 be amended to read as follows:

13 10-6-35.2. ~~Structures~~ Any structure classified pursuant to § 10-6-35.1, 10-6-35.21, 10-6-  
14 35.22, 10-6-35.24, or 10-6-35.25 shall, following construction, be valued for taxation purposes  
15 in the usual manner. However, the board of county commissioners of ~~such~~ the county where ~~such~~  
16 ~~structures are~~ the structure is located, may adopt any formula for assessed value to be used for  
17 tax purposes. The formula may include for any or all of the five tax years following construction  
18 all, any portion or none of the assessed valuation for tax purposes. The board of county  
19 commissioners of the county where ~~such structures are~~ the structure is located may, if requested  
20 by the owner of ~~such structures~~ the structure, not apply the discretionary formula and the full  
21 assessment shall be made without application of the formula. In waiving the formula for the  
22 structure of one owner, the board of county commissioners is not prohibited from applying the  
23 formula for subsequent new structures. The assessed valuation during any of the five years may  
24 not be less than the assessed valuation of ~~such~~ the property in the year preceding the first year  
25 of the tax years following construction.

1       (1) Any structure that is partially constructed on the assessment date may be valued for tax  
 2 purposes pursuant to this section and the valuation may not be less than the assessed valuation  
 3 of ~~such the~~ property in the year preceding the beginning of construction. During any period of  
 4 time that ~~such the~~ property is valued for tax purposes pursuant to this section, the period of time  
 5 may include the years when ~~such the~~ property is partially constructed. ~~The provisions of this~~  
 6 ~~subdivision may apply to any structure partially completed on January 1, 1987.~~

7       (2) Thereafter ~~such the~~ property shall be assessed at the same percentage as is all other  
 8 property for tax purposes.

9       Section 13. That § 10-6-35.19 be amended to read as follows:

10       10-6-35.19. ~~All~~ Any commercial, industrial, and nonresidential agricultural real property  
 11 which increases more than ten thousand dollars in true and full value as a result of reconstruction  
 12 or renovation of structures is specially classified for purposes of taxation.

13       ~~—All real property qualifying under this section not completed before January 1, 1980, as~~  
 14 ~~determined by the director of equalization, is classified in the manner prescribed in this section.~~

15       The increase in true and full value resulting from the reconstruction or renovation of qualifying  
 16 property shall be given tax treatment in the manner provided for in § 10-6-35.2.

17       Section 14. That § 10-6-35.21 be amended to read as follows:

18       10-6-35.21. ~~All~~ Any new nonresidential agricultural ~~structures, or additions to existing~~  
 19 ~~structures which new structures or additions have~~ structure, or addition to an existing structure,  
 20 which new structure or addition has a true and full value of ten thousand dollars or more, added  
 21 to real property ~~are~~ is specifically classified for the purpose of taxation.

22       ~~—All real property qualifying under this section not completed before January 1, 1974, as~~  
 23 ~~determined by the director of equalization shall be classified in the manner prescribed in this~~  
 24 ~~section.~~

25       Section 15. That § 10-6-35.24 be amended to read as follows:

1        10-6-35.24. ~~All~~ Any new commercial ~~structures~~ structure, except a commercial residential  
 2 ~~structures, or additions to existing structures, which new structures or additions have~~ structure,  
 3 ~~or addition to an existing structure, which new structure or addition has~~ a true and full value of  
 4 thirty thousand dollars or more, added to real property ~~are~~ is specifically classified for the  
 5 purpose of taxation. ~~All real property qualifying under this section not completed before~~  
 6 ~~January 1, 1974, as determined by the director of equalization shall be classified in the manner~~  
 7 ~~prescribed in this section.~~

8        Section 16. That § 10-6-35.25 be amended to read as follows:

9        10-6-35.25. ~~All~~ Any new commercial residential ~~structures, or additions to existing~~  
 10 ~~structures, which new structures or additions have~~ structure, or addition to an existing structure,  
 11 which new structure or addition has a true and full value of thirty thousand dollars or more,  
 12 added to real property ~~are~~ is specifically classified for the purpose of taxation. ~~All real property~~  
 13 ~~qualifying under this section not completed before January 1, 1994, as determined by the director~~  
 14 ~~of equalization shall be classified in the manner prescribed in this section. For purposes of this~~  
 15 section, a commercial residential structure shall contain four or more units.

16        Section 17. That § 10-6-52 be repealed.

17        ~~10-6-52. The director of equalization may, at the time of making the annual assessment of~~  
 18 ~~property for taxation, furnish to the Department of Revenue on forms provided by the~~  
 19 ~~department the following statistics regarding agriculture in his county for the current year:~~

- 20        ~~(1) Name and post office address of the farmer or rancher (owner or operator);~~
- 21        ~~(2) Total acres in the farm or ranch;~~
- 22        ~~(3) Acres of each crop sown or planted or intended to be sown or planted;~~
- 23        ~~(4) Acres of tillable land used exclusively for pasturage;~~
- 24        ~~(5) Such other statistics relating to agriculture as may be required by the Department of~~  
 25        Revenue from year to year.

1 Section 18. That § 10-6-53 be repealed.

2 ~~10-6-53. Each director of equalization shall gather the agricultural statistics specified in~~  
3 ~~§ 10-6-52 by personal interview with the owner, operator, foreman, manager, or agent, if any~~  
4 ~~can be found, and if not, he shall obtain such information from the most reliable source.~~

5 Section 19. That § 10-6-54 be amended to read as follows:

6 10-6-54. ~~All~~ Any new residential structures, or additions to existing structures structure, or  
7 addition to an existing structure, located within a redevelopment neighborhood established  
8 pursuant to § 10-6-56 which ~~new structures or additions have~~ new structure or addition has a  
9 true and full value of fifteen thousand dollars or more, added to real property ~~are~~ is specifically  
10 classified for the purpose of taxation. ~~All such structures~~ The structure shall be located in an area  
11 defined and designated as a redevelopment neighborhood based on conditions provided in  
12 § 11-7-2 or 11-7-3. ~~All real property qualifying under this section not completed before~~  
13 ~~January 1, 1993, as determined by the director of equalization shall be classified in the manner~~  
14 ~~prescribed in this section.~~

15 Section 20. That § 10-6-55 be amended to read as follows:

16 10-6-55. ~~Structures~~ Any structure classified pursuant to § 10-6-54 shall, following  
17 construction, be valued for taxation purposes in the usual manner. However, after notice to the  
18 governing body of each municipality within the county, the board of county commissioners of  
19 the county where ~~such structures are~~ the structure is located, may, in ~~their~~ the board's discretion,  
20 adopt any formula for assessed value to be used for tax purposes. The formula may include for  
21 any or all of the five tax years following construction all, any portion or none of the assessed  
22 valuation for tax purposes. The assessed valuation during any of the five years may not be less  
23 than the assessed valuation of ~~such~~ the property in the year preceding the first year of the tax  
24 years following construction. Any structure that is partially constructed on the assessment date  
25 may be valued for tax purposes pursuant to this section and the valuation may not be less than

1 the assessed valuation of ~~such~~ the property in the year preceding the beginning of construction.  
2 During any period of time that ~~such~~ the property is valued for tax purposes pursuant to this  
3 section, the period of time may include the years when ~~such~~ the property is partially constructed.  
4 ~~The provisions of this subdivision may apply to any structure partially completed on January 1,~~  
5 ~~1993.~~ Thereafter ~~such~~ the property shall be assessed at the same percentage as is all other  
6 property for tax purposes.

7 Section 21. That § 10-6-67 be amended to read as follows:

8 10-6-67. Property classified pursuant to § 10-6-66 shall be valued for taxation purposes in  
9 the usual manner. However, the board of county commissioners of the county where ~~such~~ the  
10 property is located may, in ~~their~~ the board's discretion, adopt any formula for assessed value to  
11 be used for tax purposes. The formula may include for any or all of the five tax years following  
12 the filing of the plat for the subdivision all, any portion or none of the assessed valuation for tax  
13 purposes. The assessed valuation during any of the five years may not be less than the assessed  
14 valuation of ~~such~~ the property in the year preceding the first year of the tax years following the  
15 filing of the plat for the subdivision. ~~If a plat for a subdivision was filed before January 1, 1993,~~  
16 ~~and there are lots which remain unsold, such lots may be valued for tax purposes pursuant to this~~  
17 ~~section and the valuation may not be less than the assessed valuation of such property in the year~~  
18 ~~preceding the year when the plat for the subdivision was filed.~~ The board of county  
19 commissioners of a county where property classified pursuant to § 10-6-66 is located may, in  
20 ~~their~~ the board's discretion, if requested by the owner of ~~such~~ the property, not apply the  
21 discretionary formula and the full assessment shall be made without application of the formula.  
22 In waiving the formula for the property of one owner, the board of county commissioners is not  
23 prohibited from applying the formula for subsequent property.

24 Section 22. That § 10-6-68 be repealed.

25 ~~10-6-68. For the purposes of property taxes payable in 1995 on leased school and~~

1 ~~endowment lands, the assessment date is June 1, 1994, and the valuation date is March 1, 1994.~~

2 Section 23. That § 10-11-56.5 be repealed.

3 ~~10-11-56.5. No sale of any land which is classified pursuant to § 10-6-58 may be used in any~~  
4 ~~sales ratio study.~~

5 Section 24. That § 10-6-66.1 be transferred to chapter 10-13.

6 Section 25. That § 10-13-39 be amended to read as follows:

7 10-13-39. Each owner-occupied single-family dwelling in this state is specifically classified  
8 for the purpose of taxation. For the purposes of this section, an owner-occupied single-family  
9 dwelling is a house, condominium apartment, residential housing consisting of four or less family  
10 units, town house, town home, housing cooperatives where membership in the cooperative is  
11 strictly limited to stockholder occupants of the building, dwelling as classified in ~~§ 10-6-66.1~~  
12 section 24 of this Act, and manufactured or mobile home as defined in § 32-3-1, which is  
13 assessed and taxed as a separate unit, including an attached or unattached garage and the parcel  
14 of land upon which the structure is situated as recorded in the records of the director of  
15 equalization. A person may only have one dwelling classified as an owner-occupied single-family  
16 dwelling. If the owner occupies fifty percent or more of the living space within the dwelling, the  
17 entire dwelling is classified as an owner-occupied single-family dwelling. If the owner occupies  
18 a duplex, triplex, or fourplex, or less than fifty percent of the living space within the dwelling,  
19 the portion of the dwelling so occupied shall be classified as an owner-occupied single-family  
20 dwelling.

21 Section 26. That §§ 10-6-70 to 10-6-73, inclusive, be transferred to chapter 10-21.

22 Section 27. That § 32-5-16.3 be amended to read as follows:

23 32-5-16.3. Any person who moves a mobile home or manufactured home shall obtain a  
24 permit, as prescribed by the secretary of revenue, from the county treasurer where the home is  
25 located. The permit fee is valid for a single trip from the point of origin to a point of destination

1 within the state. Before the county treasurer may issue a permit, the owner of the mobile home  
2 or manufactured home shall obtain an affidavit from the county treasurer stating that the current  
3 year's taxes are paid as described in ~~§§ 10-6-70 to 10-6-72, inclusive, and § 10-6-73~~ section 26  
4 of this Act or § 10-9-3. The permit fee for mobile homes and manufactured homes for use on the  
5 public highways is fifteen dollars. The fees collected shall be credited to the license plate special  
6 revenue fund. The fee and permit imposed by this section does not apply to a new or used mobile  
7 home or manufactured home transported by or for a dealer licensed under chapter 32-7A. A  
8 violation of this section is a Class 2 misdemeanor.

9 Section 28. That § 32-7A-17 be amended to read as follows:

10 32-7A-17. Any transfer or reassignment of a mobile home or manufactured home title shall  
11 be accompanied by an affidavit issued by the county treasurer of the county in which the mobile  
12 home or manufactured home is registered, stating that the current year's taxes are paid. The  
13 county treasurer shall apply the requirements of ~~§§ 10-6-70 to 10-6-72, inclusive, and § 10-6-73~~  
14 section 26 of this Act to determine if the current year's taxes are paid. No title may be transferred  
15 until the taxes under § 10-9-3 or 10-21-4 are paid. No transfer of title may be completed unless  
16 the mobile home or manufactured home is registered as provided in § 10-9-3 or 10-4-2.6. In any  
17 event the title or manufacturer's statement of origin shall be transferred within thirty days of  
18 delivery of the manufactured home or mobile home. A violation of this section is a Class 2  
19 misdemeanor.

20 Section 29. That § 32-7A-11 be amended to read as follows:

21 32-7A-11. New and used mobile homes and manufactured homes owned by a dealer may be  
22 transported upon the streets and highways to the dealer's place of business and to the purchaser  
23 of such a home and between a dealer's place of business and a supplemental lot or a temporary  
24 supplemental lot. Any ~~transport of a~~ mobile home or manufactured home purchased or  
25 transported by or for a dealer shall be accompanied with a permit notification form stating the

1 point of origin ~~and the point of destination~~. The dealer shall provide a copy of the permit  
2 notification form to the director of equalization in the county of origin ~~and to the director of~~  
3 ~~equalization in the county of destination~~.

1 **BILL HISTORY**

2 1/11/00 First read in House and referred to Taxation. H.J. 12

3 1/18/00 Scheduled for Committee hearing on this date.

4 1/18/00 Taxation Do Pass, Passed, AYES 13, NAYS 0. H.J. 110

5 1/18/00 Taxation Place on Consent Calendar.

6 1/20/00 Motion to Amend, Passed. H.J. 166

7 1/20/00 House of Representatives Do Pass Amended, Passed, AYES 67, NAYS 0. H.J. 166