

State of South Dakota

EIGHTIETH LEGISLATIVE ASSEMBLY, 2005

400L0238

HOUSE BILL NO. 1036

Introduced by: The Committee on Taxation at the request of the Department of Revenue and Regulation

1 FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the determination of
2 agricultural income value for property tax purposes.

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

4 Section 1. That § 10-6-33.15 be amended to read as follows:

5 10-6-33.15. For the purposes of § 10-6-33.14, the agricultural income value shall be
6 determined using capitalized ~~actual~~ annual cash rent. ~~The actual annual cash~~ Cash rent is the
7 ~~actual annual~~ cash rent as provided in § 10-6-33.16, excluding the ~~actual~~ county average per
8 acre tax on agricultural land, ~~determined through an analysis of actual arm's length rental~~
9 ~~agreements collected within the county in the year prior to the year for which the income value~~
10 ~~is being determined~~. The annual cash rent shall be capitalized at seven and three-fourths percent.

11 Section 2. That § 10-6-33.25 be amended to read as follows:

12 10-6-33.25. For the purposes of § 10-6-33.24 the agricultural income value shall be
13 determined using capitalized annual cash rent. The annual cash rent is the annual cash rent as
14 provided in § 10-6-33.16, excluding the county average per acre tax on agricultural land;
15 ~~determined through an analysis of arms-length rental agreements collected within the county in~~



1 ~~the year prior to the year for which the income value is being determined.~~ However, no
2 ~~arms-length rental agreements~~ rental information for irrigated land may be used to determine
3 the annual cash rent pursuant to this section. The annual cash rent shall be capitalized at seven
4 and three-fourths percent.

5 ~~— The secretary of revenue and regulation may enter into a contract for the collection of cash~~
6 ~~rent information by county. Cash rent information shall be adjusted by soil survey statistics if~~
7 ~~available.~~