

# State of South Dakota

EIGHTIETH SESSION  
LEGISLATIVE ASSEMBLY, 2005

717L0004

## HOUSE BILL NO. 1121

Introduced by: Representative Dennert and Senator Sutton (Duane)

1 FOR AN ACT ENTITLED, An Act to revise the capitalization rate for determining certain  
2 agricultural income values.

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 rent is the actual  
7 annual cash rent, excluding the actual per acre tax on agricultural land, determined through an  
8 analysis of actual arm's length rental agreements collected within the county in the year prior  
9 to the year for which the income value is being determined. The annual cash rent shall be  
10 capitalized at ~~seven and three-fourths~~ six 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,  
14 excluding the per acre tax on agricultural land, determined through an analysis of arms-length  
15 rental agreements collected within the county in the year prior to the year for which the income  
16 value is being determined. However, no arms-length rental agreements for irrigated land may



1 be used to determine the annual cash rent pursuant to this section. The annual cash rent shall be  
2 capitalized at ~~seven and three-fourths~~ six percent.

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