

State of South Dakota

EIGHTIETH SESSION
LEGISLATIVE ASSEMBLY, 2005

655L0505

SENATE BILL NO. 108

Introduced by: Senators Lintz, Apa, Bartling, Hundstad, and Olson (Ed) and Representatives Dykstra, Brunner, Howie, Jensen, and Rhoden

1 FOR AN ACT ENTITLED, An Act to provide for the taxation of severed mineral interests.

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

3 Section 1. For the purposes of this Act, the term, severed mineral interest, means any
4 property interest in the minerals deposited in any land in this state which interest is owned
5 separately from any other fee interest to the surface of the property upon or beneath which the
6 severed mineral interest exists.

7 Section 2. Any severed mineral interest constitutes real property and shall be assessed, and
8 taxed in the same manner as any other real nonagricultural property. If no value may be readily
9 determined for such severed mineral interests, a minimum valuation of five dollars per acre or
10 fraction of an acre shall be assessed.

11 Section 3. The owner of any severed mineral interest shall, not later than November 1, 2006,
12 file for record with the register of deeds in the county in which such severed mineral interest is
13 located a verified statement setting forth his or her address, his or her interest, and the legal
14 description of the property upon or beneath which the interest exists along with any other
15 information that the register of deeds may require.



1 Section 4. If the owner of any severed mineral interest fails to comply with the provisions
2 of section 3 of this Act, the provisions of § 10-6-20 apply.

3 Section 5. If the owner of any severed mineral interest fails to comply with the provisions
4 of section 3 of this Act, any person with actual knowledge of the existence of a severed mineral
5 interest may report the existence to the register of deeds in the county of record. Upon
6 verification by the register of deeds of the existence of the severed mineral interest, property
7 taxes shall be assessed against the last known owner of record of the severed mineral interest.
8 The assessed valuation of the surface fee shall also be reduced by the assessed valuation of the
9 severed mineral interest as determined by section 2 of this Act.

10 Section 6. The county treasurer, before offering for sale for unpaid taxes as provided in § 10-
11 23-7 any severed mineral interest, shall notify the surface fee owner of the property from which
12 the mineral interest was severed of the time and place of the sale and of the opportunity to
13 purchase such severed mineral interest for the amount of unpaid taxes, penalties, and interest
14 charged against such severed mineral interest.