

State of South Dakota

EIGHTY-SECOND SESSION
LEGISLATIVE ASSEMBLY, 2007

186N0763

HOUSE BILL NO. 1304

Introduced by: Representatives Peters, Glenski, Miles, and Wick

1 FOR AN ACT ENTITLED, An Act to create additional classifications of real property and to
2 revise certain provisions concerning the taxation of such property.

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, for which the landowner has obtained a
7 shooting preserve operating permit pursuant to chapter 41-10 is hereby classified for purposes
8 of ad valorem taxation as recreational land.

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

11 Any agricultural land, as defined in § 10-6-31.3, which sells for more than two hundred
12 percent of its assessed value is hereby classified for purposes of ad valorem taxation as
13 agricultural investment land. Any agricultural land, as defined in § 10-6-31.3, which sells for
14 more than two hundred percent of its assessed value, may not be used for the purpose of valuing
15 other real property. The sale of any real property which is not used for the purpose of valuing
16 other real property pursuant to this section may not be used in any sales ratio study.



1 Any agricultural land classified pursuant to this section shall be valued for ad valorem tax
2 purposes at the price for which such land sold multiplied times the level of assessment for
3 nonagricultural property within the county. The assessed value of such land shall be increased
4 or decreased each year by the same percentage that the value of nonagricultural property
5 increases or decreases.

6 Section 3. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as
7 follows:

8 Any agricultural land, as defined in § 10-6-31.3, for which the director of equalization has
9 determined to be noncropland and the animal unit carrying capacity is two acres or less for one
10 animal unit to subsist on natural forage, on a given tract of land for one year is class one
11 noncropland. For the purposes of this section, the term, animal unit, means one cow and calf,
12 one horse, five sheep, or five goats.

13 Section 4. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as
14 follows:

15 Any agricultural land, as defined in § 10-6-31.3, for which the director of equalization has
16 determined to be noncropland and the animal unit carrying capacity is more than two acres for
17 one animal unit to subsist on natural forage, on a given tract of land for one year is class two
18 noncropland. For the purposes of this section, the term, animal unit, means one cow and calf,
19 one horse, five sheep, or five goats.

20 Section 5. That § 10-6-31 be amended to read as follows:

21 10-6-31. For the purposes of taxation, all property is hereby classified into two separate
22 classes, ~~to wit~~ except for such classes as provided in § 10-13-39 and sections 1 to 4, inclusive,
23 of this Act:

24 (1) Agricultural property;

1 (2) Nonagricultural property.

2 Agricultural property includes all property used exclusively for agricultural purposes which
3 is not handled for resale by wholesale or retail dealers. It includes all land used exclusively for
4 agricultural purposes, both tilled and untilled, the improvements on such land, other than
5 buildings and structures, and the livestock and machinery located and used on such agricultural
6 land.

7 Nonagricultural property includes ~~normally occupied dwellings on agricultural land and~~
8 ~~automobile garages or portions of buildings used for that purpose by the occupants of such~~
9 ~~normally occupied dwellings, and all other property not classified as agricultural property,~~
10 owner-occupied dwellings, recreational land, agricultural investment property, class one
11 noncropland, and class two noncropland.

12 The director of equalization in listing and assessing all property to which this section applies
13 shall designate opposite each description the class to which it belongs as defined herein.

14 Section 6. That § 10-6-31.3 be amended to read as follows:

15 10-6-31.3. For tax purposes, land is agricultural land if it meets two of the following three
16 criteria:

17 (1) At least thirty-three and one-third percent of the total family gross income of the
18 owner is derived from the pursuit of agriculture as defined in subdivision (2) of this
19 section or it is a state-owned public shooting area or a state-owned game production
20 area as identified in § 41-4-8 and it is owned and managed by the Department of
21 Game, Fish and Parks;

22 (2) Its principal use is devoted to the raising and harvesting of crops or timber or fruit
23 trees, the rearing, feeding, and management of farm livestock, poultry, fish, or
24 nursery stock, the production of bees and apiary products, or horticulture, all for

1 intended profit pursuant to subdivision (1) of this section. Agricultural real estate also
 2 includes woodland, wasteland, and pasture land, but only if the land is held and
 3 operated in conjunction with agricultural real estate as defined and it is under the
 4 same ownership;

5 (3) It consists of not less than twenty acres of unplatted land or is a part of a contiguous
 6 ownership of not less than eighty acres of unplatted land. The same acreage
 7 specifications apply to platted land, excluding land platted as a subdivision, which
 8 is in an unincorporated area. However, the board of county commissioners may
 9 increase the minimum acre requirement up to one hundred sixty acres.

10 However, for tax purposes, land is not agricultural land if the land is classified pursuant to
 11 ~~§ 10-6-33.14 as a nonagricultural acreage as recreational land, agricultural investment property,~~
 12 class one noncropland, or class two noncropland.

13 Section 7. That § 10-12-42 be amended to read as follows:

14 10-12-42. For taxes payable in 2007 and each year thereafter, the levy for the general fund
 15 of a school district shall be as follows:

16 (1) The maximum tax levy shall be ten dollars and nineteen cents per thousand dollars
 17 of taxable valuation subject to the limitations on agricultural property as provided in
 18 subdivision (2) of this section, owner-occupied property as provided for in
 19 subdivision (3) of this section, ~~and nonagricultural acreage property~~ recreational land
 20 as provided for in subdivision (4) of this section, agricultural investment property as
 21 provided for in subdivision (5) of this section, class one noncropland as provided for
 22 in subdivision (6) of this section, and class two noncropland as provided for in
 23 subdivision (7) of this section;

24 (2) The maximum tax levy on agricultural property for such school district shall be three

1 dollars and three cents per thousand dollars of taxable valuation. If the district's levies
2 are less than the maximum levies as stated in this section, the levies shall maintain
3 the same proportion to each other as represented in the mathematical relationship at
4 the maximum levies;

5 (3) The maximum tax levy for an owner-occupied single-family dwelling as defined in
6 § 10-13-40, for such school district may not exceed four dollars and seventy-six cents
7 per thousand dollars of taxable valuation. If the district's levies are less than the
8 maximum levies as stated in this section, the levies shall maintain the same
9 proportion to each other as represented in the mathematical relationship at the
10 maximum levies; ~~and~~

11 (4) The maximum tax levy on ~~nonagricultural acreage property as defined in § 10-6-~~
12 ~~33.14~~ recreational land as defined in section 1 of this Act, for such school district
13 shall be four dollars and three cents per thousand dollars of taxable valuation. If the
14 district's levies are less than the maximum levies as stated in this section, the levies
15 shall maintain the same proportion to each other as represented in the mathematical
16 relationship at the maximum levies;

17 (5) The maximum tax levy on agricultural investment land as defined in section 2 of this
18 Act, for such school district shall be eight dollars and nineteen cents per thousand
19 dollars of taxable valuation. If the district's levies are less than the maximum levies
20 as stated in this section, the levies shall maintain the same proportion to each other
21 as represented in the mathematical relationship at the maximum levies;

22 (6) The maximum tax levy on class one noncropland as defined in section 3 of this Act,
23 for such school district shall be three dollars and three cents per thousand dollars of
24 taxable valuation. If the district's levies are less than the maximum levies as stated

1 in this section, the levies shall maintain the same proportion to each other as
2 represented in the mathematical relationship at the maximum levies; and

3 (7) The maximum tax levy on class two noncropland as defined in section 4 of this Act,
4 for such school district shall be two dollars and three cents per thousand dollars of
5 taxable valuation. If the district's levies are less than the maximum levies as stated
6 in this section, the levies shall maintain the same proportion to each other as
7 represented in the mathematical relationship at the maximum levies.

8 All levies in this section shall be imposed on valuations where the median level of
9 assessment represents eighty-five percent of market value as determined by the Department of
10 Revenue and Regulation. These valuations shall be used for all school funding purposes. If the
11 district has imposed an excess levy pursuant to § 10-12-43, the levies shall maintain the same
12 proportion to each other as represented in the mathematical relationship at the maximum levies
13 in this section. The school district may elect to tax at less than the maximum amounts set forth
14 in this section.