Introducing by: Senators Cammack and Kennedy and Representative McCleerey at the request of the Agricultural Land Assessment Implementation and Oversight Advisory Task Force

FOR AN ACT ENTITLED, An Act to revise certain provisions regarding the classification of agricultural land for property tax purposes.

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

Section 1. That § 10-6-33.7 be amended to read:

10-6-33.7. Agricultural land in each county shall be divided into the eight classes defined by the United States Department of Agriculture's soil conservation service as published in its soil survey for each county. The county director of equalization shall, based on the agricultural lands soil survey classification, determine a value for each soil type. South Dakota State University shall provide each county with data and information for soil classification.

Section 2. That § 10-6-33.30 be repealed.

10-6-33.30. The economics department of South Dakota State University shall submit recommendations to the Agricultural Land Assessment Implementation and Oversight Advisory Task Force by November 1, 2008, regarding factors to use for the percentage of annual earning capacity to be used to determine the agricultural income value of the land pursuant to § 10-6-
33.28 and other provisions used to assess agricultural land that will provide the least amount of shift between cropland and noncropland on a statewide basis. Thereafter, the economies department shall submit such recommendations, if any, to the task force by September first of each year.

Section 3. That § 10-6-33.2 be repealed.

10-6-33.2. The capacity of agricultural land to produce agricultural products shall be based on average yields under natural conditions for land producing crops or plants and on the average acres per animal unit for grazing land. The average shall affect each operating unit and shall be based on the ten-year period immediately preceding the tax year in issue. In determining the capacity to produce, the county director of equalization and the county board of equalization shall consider yields, the extent to which the land is able to be tilled or is nontillable based upon soil type, terrain, topographical, and surface conditions, and animal unit carrying capacity, as determined by the natural resources conservation service, farm credit services of America, farm service agency, the extension service, and private lending agencies dealing with land production capacities:

Section 4. That § 10-6-33.32 be repealed.

10-6-33.32. Agricultural land shall be divided by the director of equalization into categories, including cropland and noncropland. Each category shall be divided into classes based on soil classification standards developed by the United States Department of Agriculture Natural Resources Conservation Service.

Section 5. That § 10-6-33.37 be repealed.

10-6-33.37. Notwithstanding the provisions of §§ 10-6-33.28 to 10-6-33.33, inclusive, the director of equalization may equalize the assessed valuation of all cropland if the total assessed valuation of all cropland and total assessed valuation of all noncropland is equal to the total
The assessed valuation of agricultural land as determined by the application of the provisions of this chapter. Notwithstanding the provisions of §§ 10-6-33.28 to 10-6-33.33, inclusive, the director of equalization may equalize the assessed valuation of all noncropland if the total assessed valuation of all cropland and total assessed valuation of all noncropland is equal to the total assessed valuation of agricultural land as determined by the application of the provisions of this chapter.

Section 6. That § 10-6-77 be repealed.

§ 10-6-77. For the taxes payable in 2014, 2015, 2016, 2017, 2018, and 2019, the total taxable value of cropland within any county may not increase or decrease more than:

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(1) Fifteen percent in any year, if the county is less than thirty percent from its full agricultural income value;

(2) Twenty percent in any year, if the county is thirty percent or more but less than fifty percent from its full agricultural income value; and

(3) Twenty-five percent in any year, if the county is fifty percent or more from its full agricultural income value.

For the taxes payable in 2014, 2015, 2016, 2017, 2018, and 2019, the total taxable value of noncropland within any county may not increase or decrease more than:

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(1) Fifteen percent in any year, if the county is less than thirty percent from its full agricultural income value;

(2) Twenty percent in any year, if the county is thirty percent or more but less than fifty percent from its full agricultural income value; and

(3) Twenty-five percent in any year, if the county is fifty percent or more from its full agricultural income value.