

AN ACT

ENTITLED, An Act to revise the procedure for assessing certain agricultural property.

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

Section 1. That § 10-6-33.25 be amended to read as follows:

10-6-33.25. For the purposes of § 10-6-33.24, the agricultural income value shall be determined using capitalized annual cash rent. The annual cash rent is the annual cash rent, excluding the per acre tax on agricultural land, determined through an analysis of arms-length rental agreements collected within the county in the three years prior to the year for which the agricultural income value is being determined. The agricultural income value of cropland shall be based on average rents over a three-year period for cropland under natural conditions. The agricultural income value of noncropland shall be based on average rents over a three-year period for noncropland under natural conditions. However, no arms-length rental agreements for irrigated land may be used to determine the annual cash rent pursuant to this section. The annual cash rent shall be capitalized at seven and three-fourths percent.

The secretary of revenue and regulation may enter into a contract for the collection of cash rent information by county. Cash rent information shall be adjusted by soil survey statistics, if available, and pursuant to section 2 of this Act.

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

The director of equalization shall annually determine the assessed value of agricultural land as defined by § 10-6-31.3. Any agricultural land assessed based on its agricultural income value pursuant to § 10-6-33.24 and 10-6-33.25 may be value adjusted by the following factors:

- (1) The capacity of the land to produce agricultural products as defined in § 10-6-33.2; and
- (2) The location, size, soil survey statistics, terrain, and topographical condition of the land including the climate, accessibility, and surface obstructions which can be documented.

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

If the median rent value per acre in an identifiable region within a county deviates by more than ten percent from the county median rent value per acre, the county director of equalization may establish a separate rent value per acre for the land defined by the director of equalization within that identifiable region.

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I certify that the attached Act
originated in the

SENATE as Bill No. 2

Secretary of the Senate
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President of the Senate

Attest:

Secretary of the Senate

Speaker of the House

Attest:

Chief Clerk

Senate Bill No. 2

File No. _____

Chapter No. _____

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Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor
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The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor
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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State