# DRAFT BILL 50

## GRASSLAND TAX RELIEF BILL

Rep. Trish Ladner
District 30
Prime Sponsor - House

Senator Jessica Castleberry,
District 35
Prime Sponsor - Senate

**QUESTION:**

*What would do if you got a notice that your taxes were going up 280% to 300%?*

*That is exactly what our Ranchers, both East and West River could be facing if the new soil reassessment is implemented.*

- In 2016 The AG Task Force wrote a bill, SB 4 that addressed the ongoing tax problems that our ranchers were facing. It had wide bipartisan support from both the Senate and the House, however, it is my understanding that the task force was asked by The Department of Revenue (DOR) to table the bill. They believed that the new soil reassessment and tables would "fix" everything. Fast forward 6 years and the tax issues are still not "fixed."

- We are introducing Draft Bill 50. It is a resurrected version of SB 4 and according to the Fall River County Assessor, Draft Bill 50 will correct up to 85% of the problems facing our ranchers!!

# 2022 South Dakota Legislature

# Draft 50

*Requested by:* ***Representative*** *Ladner*

**An Act to provide for the assessment of certain agricultural land as noncropland.**

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

**Section 1. That chapter 10-6 be amended with a NEW SECTION:**

Agricultural land seeded to perennial vegetation for at least twenty years and used for animal grazing or left unharvested, or agricultural land that is native grassland, is noncropland.

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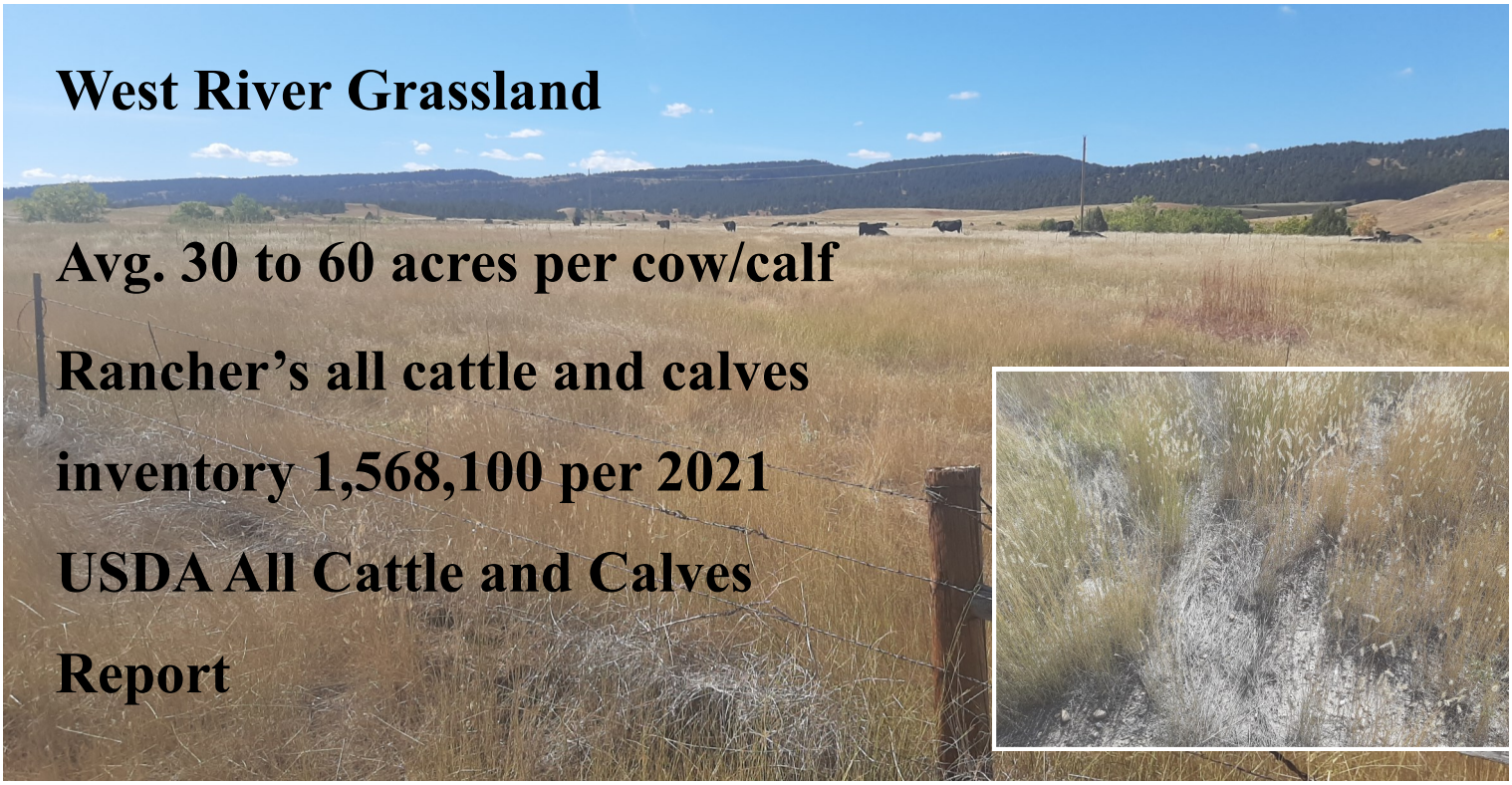
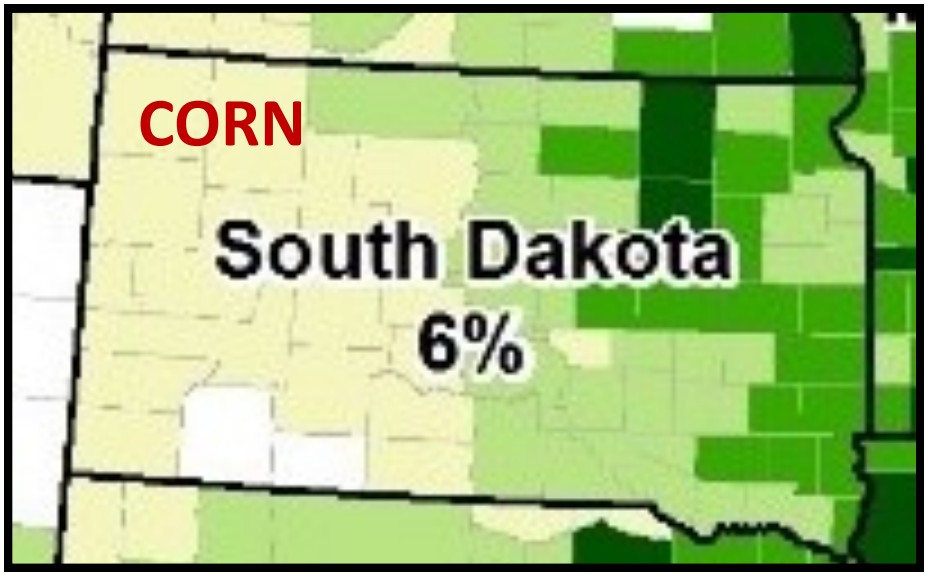
SOUTH DAKOTA
IS A STATE OF DIVERSE TERRAIN,
SOILS AND RAINFALL
West River we ride
the range ...

East River we ride a
John Deere!

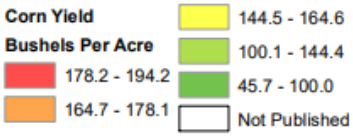
# Soil, Terrain, and Rainfall differ between East and West River

**These photos were taken 1 day apart.**
**Both regions are in a drought year**

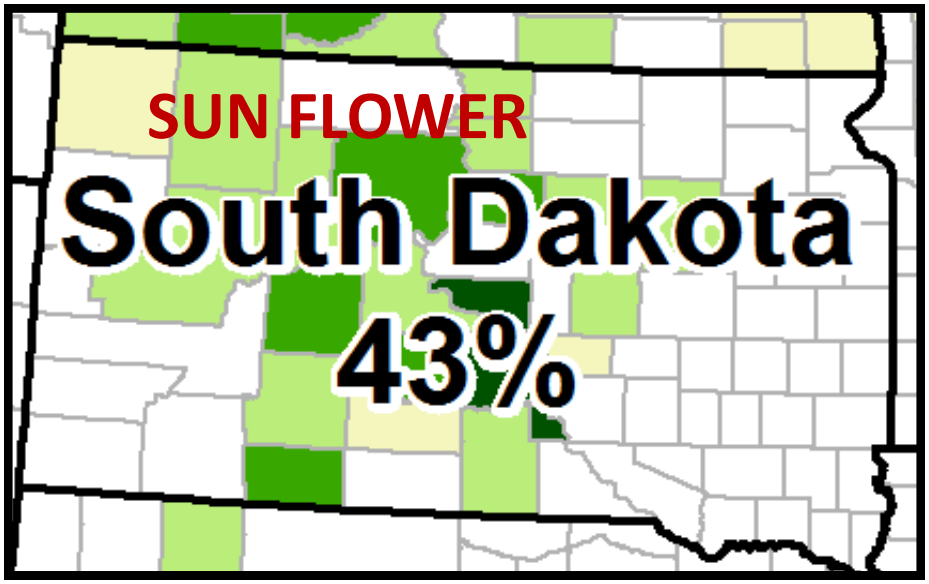


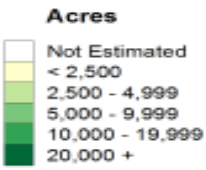



When you travel eastern South Dakota you notice the difference in land and

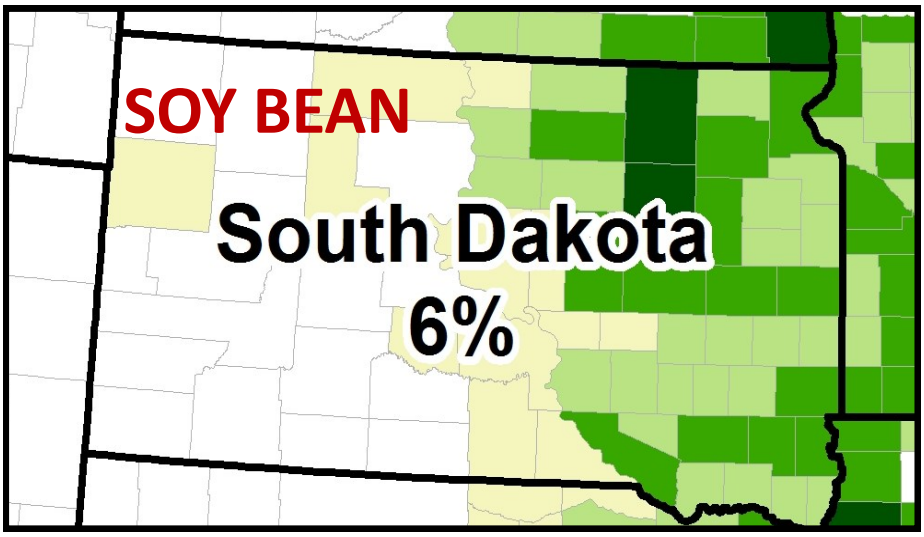


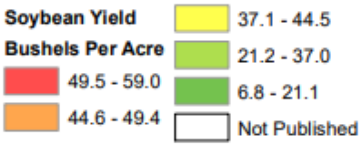

crop production It is significant! This is substantiated by the USDA - AG Maps for 2021.




When you look at the maps by crop, you see that there is very little land that is cropped in Western South Dakota.



This is a typical example of the West River terrain. It takes 30 to 60 acres to raise 1 cow/calf depending on the location, terrain and rainfall.

Rainfall has to be taken into consideration.

**Vaughn Meyer Ranch is located in Harding/Perkins County**

**He has lived on the ranch for 50 years and 80% of his land has been designated as grassland for the past 30 years. If the new soil reassessment is implemented he could see a 60% increase in his land taxes.**

## The Johnson Ranch, Custer County

The Johnsons have been on their ranch for **40+ years**, and their grassland has **always been designated as grassland.**

Mr. Johnson stated that, “The percentage of increase in taxes at this time is impossible to calculate. Per our Equalization office, the information has not yet come from the DOR. We had a 20% +/- increase in average assessments on the past year for the 2021 tax year. **The highest Increase was 86% on one tract. Overall increase in evaluation was approx. $210,000**. Custer County was penalized for the Commission backing off the increases a year due to minimal notification from the County Equalization office on the new policy and procedure for questioning your evaluations. If I understand correctly, Custer County received a 125% 'factor' on the taxing of the property. So again, it is difficult to know what our taxes will actually raise at this time. We have put together an entire packet of information on each 'crop' designated parcel. Awaiting Equalization office review. But according to Leah Vissea, the new state soils are not out yet. Also our county Commission has stated they will not lower the mil levy in our County as it is "too hard to Increase down the road". So, as we face increasing evaluations, we can anticipate NO mil levy change.”

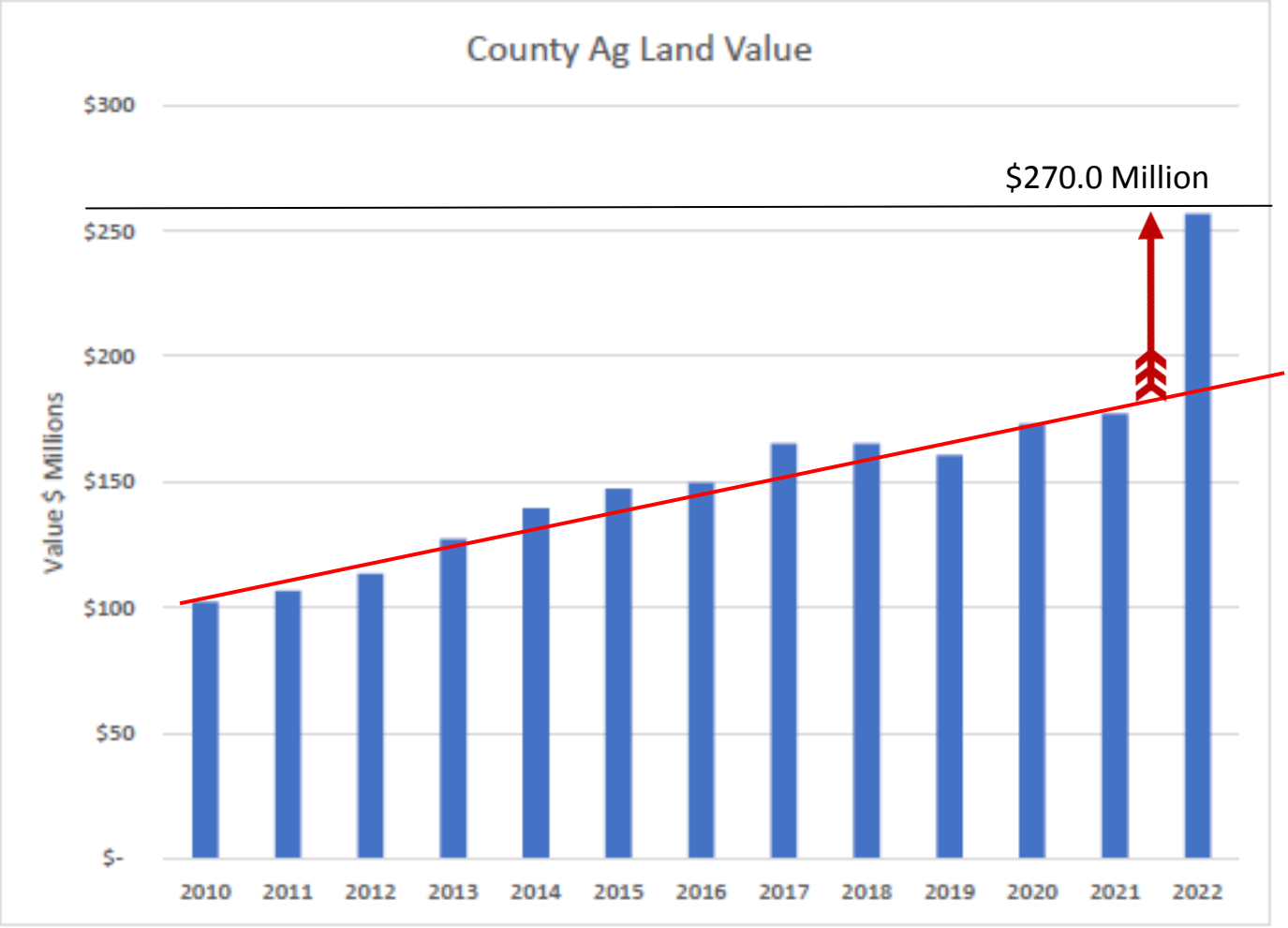
The Stearns Ranch is a fourth generation ranch in Fall River County. These pictures are of their land that has been reassessed as cropland. If the proposed soil reassessment is implemented, their taxes could increase by 300%.

The Falkenburg/Thomsen ranch is a third generation operation located in Fall River County, 27 miles Southwest of Edgemont,

These photos are all designated cropland in the new soil reassessment.

*These are just a few of the testimonies from Ranchers that we are receiving daily.*

# This graph shows Fall River County's tax increase since 2010 and the potential increase in taxes if the proposed version 2 of the New Soil re-assessment and tax tables are implemented




- In 2020 the Fall River County adjusted AG Land Value was $173.1 million dollars, an increase of $70.8 million dollars.
- In Version 2 of the proposed soil reassessment, Fall River County adjusted AG Land Value would be $270.0 million dollars. That is a proposed increase of $83.9 million dollars.
- This sizable increase is **larger than the increases Fall River County has taken in over the LAST DECADE combined**.
- Our Ranchers cannot sustain increases of this magnitude! Draft Bill 50 is a clean concise solution to the enormous taxes situation facing our Ranchers and will correct **85%** of the problem.

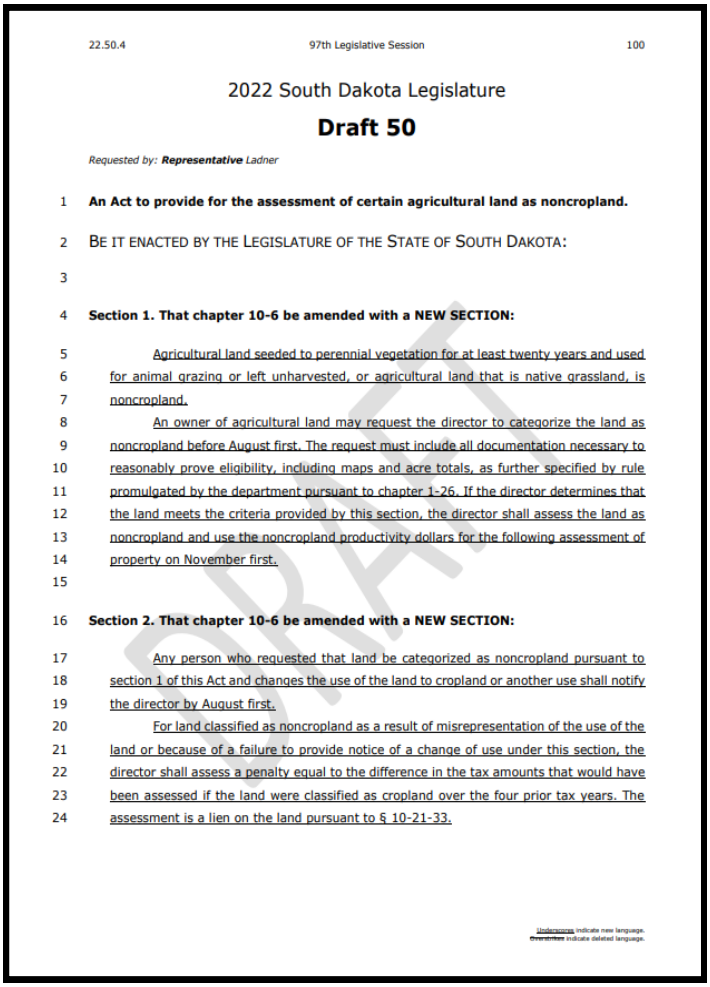

Report compiled by
Stacey Martin, GIS Coordinator
Fall River County 5/28/2021

# In Summary

- "Draft Bill 50 would solve 85% of the issues facing our ranchers."
  *Susie Hayes, Director of Equalization, FR County Assessor*

**RANCHER COMMENTS:**

- "In some cases, taxes are approaching the same total as the income. "
  *Orval Frahm, Rancher*
- *"The county soil survey book should be followed."*
  *Wes Davidson, Rancher*
- "Use the established carrying capacity of land established by NRCS in 1984. It doesn't change." *Bill Kluck, Rancher*



22.50.4 97th Legislative Session 100

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DRAFT

Underscore indicate new language.
~~Overstrike~~ indicate deleted language.

# What are our options?

1. Support our Ranchers and Growers by supporting Draft Bill 50
2. Work together towards the common good for the AG Industry in the State of South Dakota helping to ensure that the industry survives
3. Pass legislation that would safeguard and protect our natural grasslands for the future.

Agriculture is our state's largest industry. Let's join together to support those who work diligently everyday, managing the grass in order to grow protein for our communities, our state and our nation