

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2022 South Dakota Legislature

FISCAL NOTE 2022-FN1001A

HB1001 – An Act to revise the freeze on assessments for dwellings of disabled and senior citizens.

The bill would raise the true market value and income limits to freeze a property assessment, thereby increasing the eligibility. The current program freezes the homeowner’s property from increasing in value for property tax purposes. This means as the value of the home increases, the homeowner would pay tax on the former (lower) value. Property is defined as the house, garage, and the lot upon which it sits, or one acre, whichever is less. As of assessment year 2021, there were 3,295 total properties enrolled in this program.

There is no fiscal impact on the State general fund. The net fiscal impact to the counties, municipalities, and school districts is \$0. However, there would be a shift in the tax burden. The bill would reduce the projected tax dollars levied on dwellings of eligible disabled and senior citizens by approximately \$572,990. The mill levies for dwellings of eligible disabled and senior citizens would be shifted to and made whole by agricultural cropland, owner-occupied, and all other property not otherwise classified. Increasing the true market value and income limits would correlate to an increase of 1,054 more properties eligible for this program.

The following table shows the changes in income limits for single and multi-member households. It also shows the true market value limit required for the program under current law and changes to that amount due to the bill.

Limits	Single household income	Multi-member household income	Single household and true market value
Current Law	\$30,423	\$38,029	\$208,828
The Bill	\$35,000	\$45,000	\$300,000

Analysis for the bill utilizes empirical data from the 2019 American Community Survey conducted by the U.S. Census Bureau.

APPROVED BY: /s/ Reed Holwegner
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