



2022 South Dakota Legislature

House Bill 1305

Introduced by: **Representative Chase**

1 **An Act to revise provisions regarding the procurement of tax deeds.**

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

3 **Section 1. That § 10-25-1 be AMENDED:**

4 **10-25-1.** If a tax certificate is sold for taxes and not yet redeemed, the owner or
 5 holder of the tax certificate may conduct, or cause to be conducted, a proceeding to
 6 procure a tax deed on the real property, as provided by §§ 10-25-2 to 10-25-12, inclusive.
 7 A proceeding ~~shall~~ must be initiated after ~~three~~ two years from the date of the tax
 8 certificate sale or at any time thereafter within ~~six~~ three years from the date of the tax
 9 certificate sale, subject to the provisions of §§ 10-25-16 to 10-25-19, inclusive. The time
 10 period applies equally to the county or any other purchaser of the tax certificate. Any
 11 assignee of a tax certificate shall take the tax certificate subject to the time period of the
 12 first owner of the tax certificate.

13 **Section 2. That § 10-25-16 be AMENDED:**

14 **10-25-16.** If a proceeding to procure a tax deed is not completed within ~~six~~ three
 15 years after the date of the tax certificate sale on which the proceeding is based, the tax
 16 certificate sale, the lien for taxes, the lien of any taxes paid by the holder of the tax
 17 certificate as subsequent taxes, and all rights thereunder cease and are forever barred.
 18 The treasurer shall cancel the tax certificate on the treasurer's record and shall note on
 19 the sale records and the tax books of the treasurer's office that the tax certificate and the
 20 lien of subsequent tax receipts held by the owner of the tax certificate are barred and are
 21 not valid.

22 **Section 3. That § 10-25-18 be AMENDED:**

23 **10-25-18.** The commencement of a proceeding to procure a tax deed within the
 24 periods limited in §§ 10-25-16 and 10-25-17 does not extend the lien of the holder of the

1 tax certificates more than six months beyond the expiration of the periods of limitations.
2 If any proceeding, commenced within the time limited by §§ 10-25-16 and 10-25-17, is
3 not completed, and the right of the party instituting the proceeding to receive a tax deed
4 under the provisions of §§ 10-25-1 to 10-25-12, inclusive, is not fully completed and
5 established, within six months after the expiration of ~~six~~ three years from the date of the
6 tax certificate sale on which the proceeding is based; then all rights under the proceeding
7 cease and are forever barred. The treasurer shall cancel the tax certificate in the manner
8 provided in § 10-25-16. However, the purchaser of a tax certificate assigned by the county
9 has an additional period of one year from the date of the assignment to commence the
10 proceeding and six months after the expiration of the period of one year to complete the
11 proceeding. If the tax certificate is cancelled, the lien of the holder of the tax certificate is
12 extinguished and all further proceedings on the tax certificate are barred.