

Rick Fox
Hermosa, SD
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Self
HB1039
Proponent
Feb. 23, 2022

Senate Taxation Committee Members,

Sorry I can't attend and testify at the hearing personally. Our family ranches in Custer County. We moved to this Hermosa area ranch in 1983 and have only appealed our assessments twice, 2009 and 2021. In 2009 our property tax assessments went up over 42%. We had 2009 assessments reduced dramatically with our appeal, as did others in Custer County.

This past year our assessments have increased 32% on our home place. We have seen partial results of what our assessments will be with a little success in getting them lowered, we hope. Since the production based ag tax was put in place in 2009 our assessments have risen 333.6%. Sioux Falls Stockyards average yearly reports on utility cow prices have only gone up 28% in this same time period. The land has not changed, it will produce what it will produce year in and year out. If the so-called cropland could and should be cropped, it would be. Homesteaders tried and failed.

Opposing testimony on HB1039 have stated there are tools in place to appeal to the county assessor for adjustments. We have done this. This past year we spent countless hours taking pictures, filling out adjustment forms, paying for a beacon website to map our soils to our parcels. We also spent 5 hours with two individuals from the county assessors office showing our so-called cropland. One of the individuals made a comment that he hadn't seen any of our place that was or should be cropland! From what I can tell so far is the cropland assessments have come down on some parcels, but the non crop assessments went up. This will leave some parcels actually increasing in value. It feels like I am being penalized for adding work to the assessors office.

On a good moisture year, we can make hay on 8% of our total acres. The county soil survey shows we have 35-36% cropland. This is not right at all and I extend an invitation to each one of you to come visit our place and see for yourself.

I figured that I had went through all the "tools" at the county level, so I drove to Pierre for a face to face meeting with DOR Secretary Jim Twerwiliger and Lt. Gov. Larry Rhoden a few weeks ago. Somewhat productive meeting, but boots on the ground is what we need. Satellite Imagery and Topography maps do not show what the human eye can see. Both men have been invited to our place to show me what I should or could farm. (I may have a written lease ready for them to sign).

Thousands of agriculture acres have been developed in the last 15 years in South Dakota while the percentage of agriculture property tax (24-25%) statewide has remained steady. One would think with more agriculture land going into housing and commercial that agriculture's percentage of statewide property taxes would go down. Is the formula written in a way that agriculture will always pay the 24-25% of the total property tax scheme no matter how many agriculture acres are in South Dakota? I don't know.

HB1039 is no magic bullet to the problem, but it will correct a wrong on cropland vs. non cropland. As so many have said and testified, liberal spending is the problem! Vote YES on House Bill1039.

Thank you,
Rick Fox
Hermosa, SD