

SOUTH DAKOTA DEPARTMENT OF REVENUE

AG LAND ASSESSMENT UPDATE

AUGUST 2022
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PROPERTY TAX ADMINISTRATION MODERNIZATION PROJECT



BACKGROUND

- South Dakota DOR is responsible for oversight and administration of the state's property tax system to ensure fair and equitable taxation
- Oversight processes include:
 - Valuation certification
 - Levy verification and approval
 - Agricultural land valuation system
 - Centrally-assessed company valuation
- Property Tax Division has 9 team members to manage all processes

CHALLENGES

- Successfully administering all statutory processes required to manage and validate tens of thousands of data points provided by hundreds of local taxing jurisdictions
- Most processes were managed through paper and Microsoft Excel/Access
- With staffing limitations, the focus was on processing data, which left DOR at a major disadvantage when trying to:
 - Provide support and specialized training for county officials and staff
 - Timely respond to legislative and public inquiries
 - Manage new legislation/processes
 - Stay current on trends in the property tax field





What Did Our Manual Process Look Like?

14

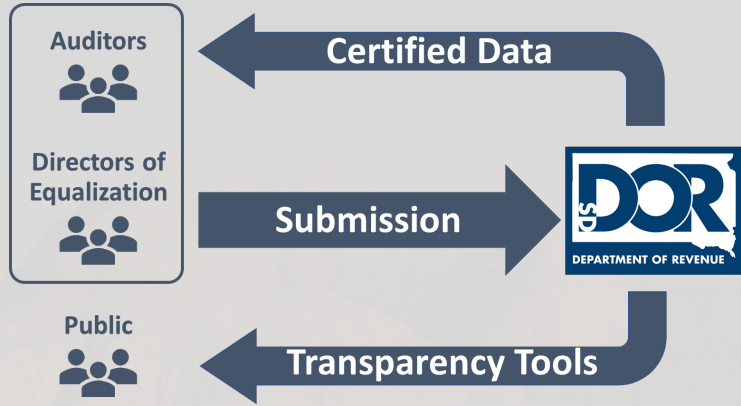
Different Reports

16

County Software
Products

2500+

Division Staff-hours
Annually



PROPERTY TAX MODERNIZATION – SD DOR'S VISION

- Web-based solution for the collection, management, and certification of property tax data
 - Collect and store information electronically
 - Automate validation of information
- Statewide database of assessment information
- Comprehensive list of all taxing districts
- Provide public access to data to promote transparency in taxation

AXIOMATIC

WWW.AXIOMNH.COM

- Provide solutions and services to state government for the oversight and administration of property tax systems
- Dedicated to building and supporting the state property tax community through IAAO and FTA
 - IAAO State and Provincial Property Tax Council
 - IAAO Property Tax Policy 2020 Update Taskforce
- Diverse portfolio of active projects with all levels of state and local government
- Geospatial technology services leveraging Esri solutions



PROPERTY TAX MODERNIZATION – SD DOR'S GOALS

- Standardized filing and approval processes
 - Automatic data validation mitigates the need for manual checks
- More robust data set
- Improved access to information
 - Property tax transparency
 - Tax discovery
- Filing workflows will be managed with automated notifications

Develop an enterprise information system for South Dakota to ensure fair, equitable and transparent property taxation.



Digital Data Streams



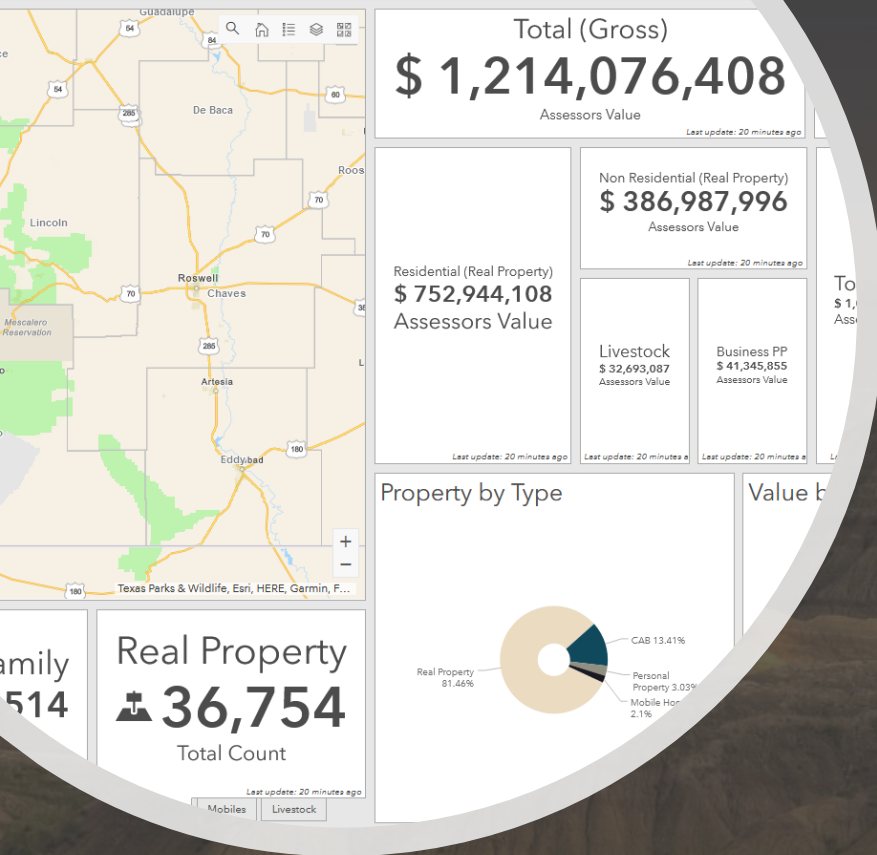
Automated Validation & Workflows



Analytics



Public Data Transparency



DATA ACCESS AND TRANSPARENCY

- Public access to data is a critical component of a fair and equitable property tax system
- Public data site includes the ability to:
 - Generate reports
 - View and download graphs
 - Download tabular data (in Excel or CSV)
- Statewide assessment database provides for future GIS integration



Project Kickoff

- 1/2021

Valuation
Certification E-
file

- Released 4/2022
- 65 of 66 counties submitted and approved

Auditors Growth
E-file

- 8/2022

Public
Transparency
Portal

- Phase 1 - 9/2022
- Phase 2 - 12/2022
- Phase 3 - 3/2023

Sales Ratio Portal

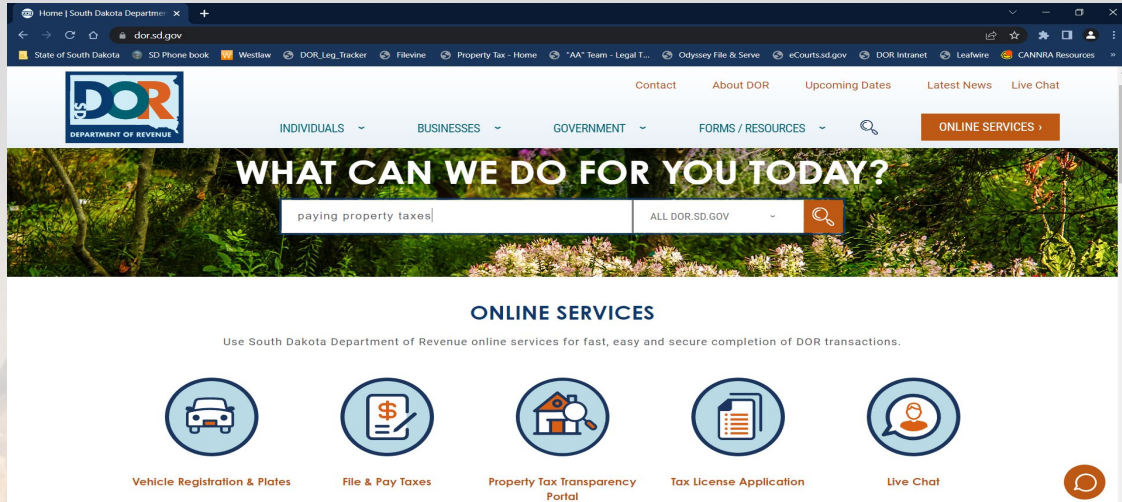
- 10/2022

Levy Verification
E-file

- 10/2022

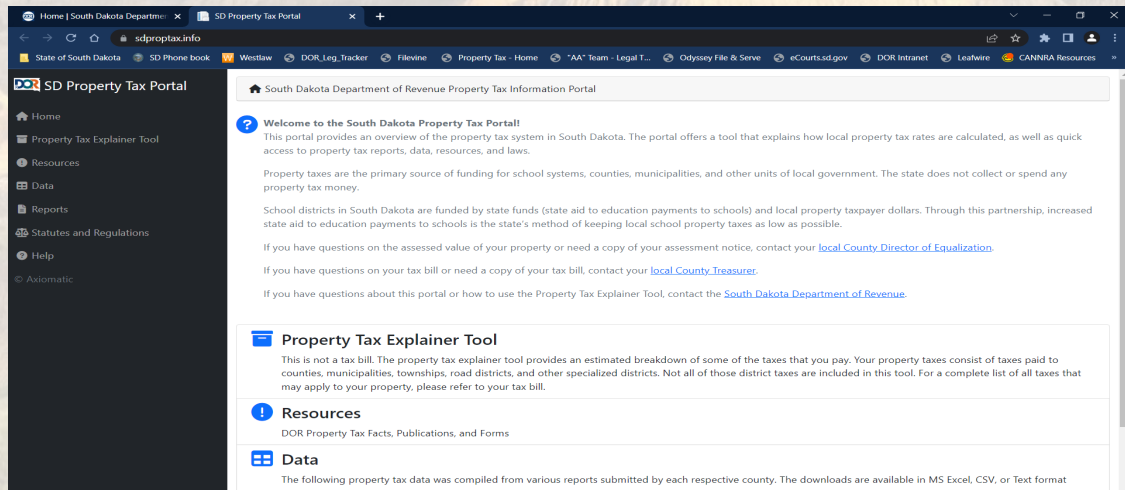
Recapitulation E-
file

- 11/2022



dor.sd.gov

sdproptax.info



ADJUSTMENTS & HB 1325

- **DOR encourages the county DOE to use all statutory tools available to ensure fair ag land assessments**
- **For the Productivity Formula to work well, common-sense adjustments are appropriate and necessary to assure fairness in ag land assessments and equity in our property tax system**

Focus on education and public awareness

- **Regional county commissioner meetings**
- **DOE training and support**
- **Stakeholder outreach**
- **Dedicated Education Specialist and former DOEs on staff**

HB 1325 Implementation

- **Educating counties on how this new adjustment tool works**
- **Reviewing all 66 county soil tables to ensure proper classification of every soil type**

2023 ASSESSMENT YEAR DATA

- **Change in Value by County**
- **Crop Olympic Averages**
- **Noncrop Olympic Averages**
- **Commodity Price History**

PRODUCTIVITY UPDATE

2023 ASSESSMENT YEAR

Statewide Change in
Average Dollar Per Acre

CROP ↓
-0.08%

NONCROP ↑
+2.99%

Questions?



South Dakota
Department of Revenue



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South Dakota DOR



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