

# 2023 South Dakota Legislature

## Draft 111

Requested by: **Representative Ladner**

1 **An Act to transfer a property tax relief program, to change an income requirement**  
2 **for certain property tax relief programs, and to index certain income**  
3 **schedules to inflation.**

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

5 **Section 1. That a NEW SECTION be added to title 10:**

6 Terms as used in this act mean:

- 7 (1) "Base year," for those heads of households who reached seventy years of age in or  
8 prior to 1994, the base year is 1994. For those heads of households who will reach  
9 seventy years of age subsequent to 1994, the base year is the year in which they  
10 will reach the age of seventy. In the case of a surviving spouse, the base year is  
11 the year which would have been the base year of the deceased spouse;
- 12 (2) "Department," the Department of Revenue;
- 13 (3) "Head of household," a married person, a single person, a widow or widower, or a  
14 divorced person;
- 15 (4) "Household," the association of persons who live in the same dwelling, sharing its  
16 furnishings, facilities, and accommodations, but not including bona fide lessees,  
17 tenants, or roomers and boarders on contract;
- 18 (5) "Secretary," the secretary of the Department of Revenue;
- 19 (6) "Single-family dwelling," a house, condominium apartment, or manufactured home  
20 as defined in § 32-3-1 which is assessed and taxed as a separate unit including the  
21 platted lot upon which the structure is situated or one acre, whichever is less, and  
22 the garage, whether attached or unattached;
- 23 (7) "Surviving spouse," the spouse of a deceased head of household who has not  
24 remarried.

25 **Section 2. That a NEW SECTION be added to title 10:**

1 Any person making an application under the provisions of this chapter is entitled  
2 to a prohibition on the collection of real property taxes upon the person's single-family  
3 dwelling if the following conditions are met:

4 (1) Has owned a single-family dwelling, in fee or by contract to purchase, for at least  
5 three years, or has been a resident of South Dakota for at least five years;

6 (2) Has resided for at least eight months of the previous calendar year in the single-  
7 family dwelling;

8 (3) Has established a base year;

9 (4) Has a household income as defined in § 10-6A-1 of less than sixteen thousand  
10 dollars if the household is a single-member household; and

11 (5) Has a household income as defined in § 10-6A-1 of less than twenty thousand  
12 dollars if the household is a multiple-member household.

13 Beginning on January 1, 2024, the household income listed in subdivisions (4) and  
14 (5) of this section shall increase annually by the index factor. The index factor is the annual  
15 percentage change in the consumer price index for urban wage earners and clerical  
16 workers as computed by the Bureau of Labor Statistics of the United States Department  
17 of Labor for the year before the year immediately preceding the year of adjustment or the  
18 annual percentage change in federal social security payments for the preceding year,  
19 whichever is greater.

20 **Section 3. That a NEW SECTION be added to title 10:**

21 Applications for a prohibition on the collections of real property taxes under this  
22 chapter shall be made annually on or before April first on forms prescribed by the secretary  
23 of revenue. Forms shall be made available to county treasurers who shall, upon request  
24 of an applicant, assist the applicant in completing the forms.

25 **Section 4. That a NEW SECTION be added to title 10:**

26 Application for a prohibition on the collection of real property taxes shall include  
27 such documentary evidence as the county treasurer deems necessary to assure validity  
28 of the claim.

29 **Section 5. That a NEW SECTION be added to title 10:**

30 The county treasurer shall make the final determination whether an applicant  
31 seeking a prohibition on the collection of real property taxes pursuant to this chapter is

1 qualified. A county treasurer shall maintain records showing the property taxes that have  
2 been not collected under of this chapter.

3 **Section 6. That a NEW SECTION be added to title 10:**

4 Any person aggrieved by the denial in whole or in part of relief claimed under the  
5 provisions of this chapter may, within thirty days after receiving notice of such denial by  
6 the county treasurer, demand and shall receive a hearing, upon notice, before the  
7 secretary on the question. The hearing shall be conducted and appeals allowed in the  
8 manner specified in chapter 1-26.

9 **Section 7. That a NEW SECTION be added to title 10:**

10 No person is eligible for a refund of property taxes pursuant to chapter 10-18A if  
11 such person receives property tax relief pursuant to this chapter.

12 **Section 8. That a NEW SECTION be added to title 10:**

13 Property taxes which the county is prohibited from collecting pursuant to this  
14 chapter shall become a lien on the property for which such taxes are imposed. Interest at  
15 the Category E rate as established in § 54-3-16 shall be imposed on any taxes which are  
16 not paid pursuant to this chapter. The county shall file a copy of such lien with the register  
17 of deeds. No property on which the county is prohibited from collecting property taxes  
18 pursuant to this chapter may be transferred unless the property taxes and interest are  
19 paid in full.

20 **Section 9. That a NEW SECTION be added to title 10:**

21 Property taxes which a county is prohibited from collecting pursuant to this chapter  
22 may not be considered delinquent and the county may not publish the name of any person  
23 whose property taxes are not paid pursuant to this chapter.

24 **Section 10. That a NEW SECTION be added to title 10:**

25 The property taxes and interest that are not collected pursuant to this chapter may  
26 not exceed the value of the property upon which the taxes are imposed.

27 **Section 11. That a NEW SECTION be added to title 10:**

1 If any person, entity, or trust chooses to pay any property taxes which have not  
 2 been collected pursuant to this chapter such payments shall apply to the oldest property  
 3 taxes and the interest thereon. If a person qualifies for a prohibition on the collection of  
 4 real property taxes pursuant to this chapter nothing in those sections may be construed  
 5 to prohibit a county treasurer from accepting payment for the real property taxes from  
 6 any person, entity, or trust that submits payment to a county treasurer.

7 **Section 12. That § 10-4-24.12 be AMENDED:**

8 **10-4-24.12.** The percentage tax reduction of real property taxes, as provided  
 9 pursuant to § 10-4-24.11, due or paid on a single family dwelling for a single member  
 10 household is according to the following schedule:

11 If household income	but <del>not</del>	The tax due reduction
12 is <del>more than</del> <u>at least</u> :	<u>more less than</u>	on current levy is:
13 \$ 0	\$14,000	100%
14 <del>14,001</del> <u>14,000</u>	15,000	75%
15 <del>15,001</del> <u>15,000</u>	17,000	50%
16 <del>17,001</del> <u>17,000</u>	18,000	25%
17 <del>over</del> 18,000		0%

18 **Section 13. That § 10-4-24.13 be AMENDED:**

19 **10-4-24.13.** The percentage tax reduction of real property taxes, as provided  
 20 pursuant to § 10-4-24.11, due or paid on a single family dwelling for a multiple member  
 21 household is according to the following schedule:

22 If household income	but	The tax due
23 is <del>more than</del> <u>at least</u>	<del>not</del>	reduction on current
	<u>more than less than</u>	levy is:
26 \$ 0	\$ 18,500	100%
27 <del>18,501</del> <u>18,500</u>	19,500	75%
28 <del>19,501</del> <u>19,500</u>	21,000	50%
29 <del>21,001</del> <u>21,000</u>	22,000	25%



1	6,939	7,056	31%
2	7,057	7,174	29%
3	7,175	7,292	27%
4	7,293	7,410	25%
5	7,411	7,528	24%
6	7,529	7,646	23%
7	7,647	7,764	22%
8	over 7,765		No reduction

9 **Section 16. That § 10-6B-6 be AMENDED:**

10 **10-6B-6.** The amount of reduction of real property taxes due for a single-member  
 11 household made pursuant to this chapter shall be according to the following schedule:

12	If household income is		The reduction of real
13	at least:	but not more than <del>less</del>	property taxes due
14		<u>than</u>	shall be
15	\$ 0	<del>\$4,200</del> <u>\$14,000</u>	<del>35%</del> <u>100%</u>
16	<del>4,201</del> <u>14,000</u>	<del>4,288</del> <u>15,000</u>	<del>34%</del> <u>75%</u>
17	<del>4,289</del> <u>15,000</u>	<del>4,376</del> <u>17,000</u>	<del>33%</del> <u>50%</u>
18	<del>4,377</del> <u>17,000</u>	<del>4,464</del> <u>18,000</u>	<del>32%</del> <u>25%</u>
19	<del>4,465</del> <u>18,000</u>	<del>4,552</del>	<del>31%</del> <u>0%</u>
20	<del>4,553</del>	<del>4,640</del>	<del>30%</del>
21	<del>4,641</del>	<del>4,728</del>	<del>29%</del>
22	<del>4,729</del>	<del>4,816</del>	<del>28%</del>
23	<del>4,817</del>	<del>4,904</del>	<del>27%</del>
24	<del>4,905</del>	<del>4,992</del>	<del>26%</del>
25	<del>4,993</del>	<del>5,080</del>	<del>25%</del>
26	<del>5,081</del>	<del>5,168</del>	<del>24%</del>
27	<del>5,169</del>	<del>5,256</del>	<del>23%</del>
28	<del>5,257</del>	<del>5,344</del>	<del>22%</del>
29			

Underscores indicate new language.  
 Overstrikes indicate deleted language.

1	5,345	5,432	21%
2	5,433	5,520	19%
3	5,521	5,608	18%
4	5,609	5,669	17%
5	5,670	5,757	16%
6	over 5,758		No reduction

7 **Section 17. That chapter 10-6B be amended with a NEW SECTION:**

8 Beginning on January 1, 2024, each household income value listed in the schedules  
 9 in §§ 10-6b-6 and 10-6b-7 shall increase annually by the index factor. The index factor is  
 10 the annual percentage change in the consumer price index for urban wage earners and  
 11 clerical workers as computed by the Bureau of Labor Statistics of the United States  
 12 Department of Labor for the year before the year immediately preceding the year of  
 13 adjustment or the annual percentage change in federal social security payments for the  
 14 preceding year, whichever is greater.

15 **Section 18. That § 43-31-31 be REPEALED:**

16 Terms as used in this act mean:

- 17 (1) ~~"Base year," for those heads of households who reached seventy years of age in~~  
 18 ~~or prior to 1994, the base year is 1994. For those heads of households who will~~  
 19 ~~reach seventy years of age subsequent to 1994, the base year is the year in which~~  
 20 ~~they will reach the age of seventy. In the case of a surviving spouse, the base year~~  
 21 ~~is the year which would have been the base year of the deceased spouse;~~
- 22 (2) ~~"Department," the Department of Revenue;~~
- 23 (3) ~~"Head of household," a married person, a single person, a widow or widower, or a~~  
 24 ~~divorced person;~~
- 25 (4) ~~"Household," the association of persons who live in the same dwelling, sharing its~~  
 26 ~~furnishings, facilities, and accommodations, but not including bona fide lessees,~~  
 27 ~~tenants, or roomers and boarders on contract;~~
- 28 (5) ~~"Secretary," the secretary of the Department of Revenue;~~
- 29 (6) ~~"Single family dwelling," a house, condominium apartment, or manufactured home~~  
 30 ~~as defined in § 32-3-1 which is assessed and taxed as a separate unit including the~~  
 31 ~~platted lot upon which the structure is situated or one acre, whichever is less, and~~  
 32 ~~the garage, whether attached or unattached;~~

1       ~~(7) "Surviving spouse," the spouse of a deceased head of household who has not~~  
2           ~~remarried.~~

3       **Section 19. That § 43-31-32 be REPEALED:**

4           ~~Any person making an application under the provisions of §§ 43-31-31 to 43-31-~~  
5           ~~41, inclusive, is entitled to a prohibition on the collection of real property taxes upon the~~  
6           ~~person's single family dwelling if the following conditions are met:~~

7           ~~(1) Has owned a single family dwelling, in fee or by contract to purchase, for at least~~  
8           ~~three years, or has been a resident of South Dakota for at least five years;~~

9           ~~(2) Has resided for at least eight months of the previous calendar year in the~~  
10           ~~single family dwelling;~~

11           ~~(3) Has established a base year;~~

12           ~~(4) Has a household income as defined in § 10-6A-1 of less than sixteen thousand~~  
13           ~~dollars if the household is a single member household; and~~

14           ~~(5) Has a household income as defined in § 10-6A-1 of less than twenty thousand~~  
15           ~~dollars if the household is a multiple member household.~~

16       **Section 20. That § 43-31-33 be REPEALED:**

17           ~~Applications for a prohibition on the collections of real property taxes under §§ 43-~~  
18           ~~31-31 to 43-31-41, inclusive, shall be made annually on or before April first on forms~~  
19           ~~prescribed by the secretary of revenue. Forms shall be made available to county treasurers~~  
20           ~~who shall, upon request of an applicant, assist the applicant in completing the forms.~~

21       **Section 21. That § 43-31-34 be REPEALED:**

22           ~~Application for a prohibition on the collection of real property taxes shall include~~  
23           ~~such documentary evidence as the county treasurer deems necessary to assure validity~~  
24           ~~of the claim.~~

25       **Section 22. That § 43-31-35 be REPEALED:**

26           ~~The county treasurer shall make the final determination whether an applicant~~  
27           ~~seeking a prohibition on the collection of real property taxes pursuant to §§ 43-31-31 to~~  
28           ~~43-31-41, inclusive, is qualified. A county treasurer shall maintain records showing the~~  
29           ~~property taxes that have been not collected under of §§ 43-31-31 to 43-31-41, inclusive.~~



1 **Section 23. That § 43-31-36 be REPEALED:**

2 ~~Any person aggrieved by the denial in whole or in part of relief claimed under the~~  
3 ~~provisions of §§ 43-31-31 to 43-31-41, inclusive, may, within thirty days after receiving~~  
4 ~~notice of such denial by the county treasurer, demand and shall receive a hearing, upon~~  
5 ~~notice, before the secretary on the question. The hearing shall be conducted and appeals~~  
6 ~~allowed in the manner specified in chapter 1-26.~~

7 **Section 24. That § 43-31-37 be REPEALED:**

8 ~~No person is eligible for a refund of property taxes pursuant to chapter 10-18A if~~  
9 ~~such person receives property tax relief pursuant to §§ 43-31-31 to 43-31-41, inclusive.~~

10 **Section 25. That § 43-31-38 be REPEALED:**

11 ~~Property taxes which the county is prohibited from collecting pursuant to §§ 43-~~  
12 ~~31-31 to 43-31-41, inclusive, shall become a lien on the property for which such taxes are~~  
13 ~~imposed. Interest at the Category E rate as established in § 54-3-16 shall be imposed on~~  
14 ~~any taxes which are not paid pursuant to §§ 43-31-31 to 43-31-41, inclusive. The county~~  
15 ~~shall file a copy of such lien with the register of deeds. No property on which the county~~  
16 ~~is prohibited from collecting property taxes pursuant to §§ 43-31-31 to 43-31-41,~~  
17 ~~inclusive, may be transferred unless the property taxes and interest are paid in full.~~

18 **Section 26. That § 43-31-39 be REPEALED:**

19 ~~Property taxes which a county is prohibited from collecting pursuant to §§ 43-31-~~  
20 ~~31 to 43-31-41, inclusive, may not be considered delinquent and the county may not~~  
21 ~~publish the name of any person whose property taxes are not paid pursuant to §§ 43-31-~~  
22 ~~31 to 43-31-41, inclusive.~~

23 **Section 27. That § 43-31-40 be REPEALED:**

24 ~~The property taxes and interest that are not collected pursuant to §§ 43-31-31 to~~  
25 ~~43-31-41, inclusive, may not exceed the value of the property upon which the taxes are~~  
26 ~~imposed.~~

27 **Section 28. That § 43-31-41 be REPEALED:**

1           ~~If any person, entity, or trust chooses to pay any property taxes which have not~~  
2 ~~been collected pursuant to §§ 43-31-31 to 43-31-41, inclusive, such payments shall apply~~  
3 ~~to the oldest property taxes and the interest thereon. If a person qualifies for a prohibition~~  
4 ~~on the collection of real property taxes pursuant to §§ 43-31-31 to 43-31-41, inclusive,~~  
5 ~~nothing in those sections may be construed to prohibit a county treasurer from accepting~~  
6 ~~payment for the real property taxes from any person, entity, or trust that submits payment~~  
7 ~~to a county treasurer.~~

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