



2023 South Dakota Legislature
Senate Bill 26
ENROLLED

AN ACT

ENTITLED An Act to transfer a property tax relief program, to change income requirements for certain property tax relief programs, and to index certain income schedules to inflation.

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

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

Terms as used in this act mean:

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

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

Any person making an application under the provisions of this chapter is entitled to a prohibition on the collection of real property taxes upon the person's single-family dwelling if the person has:

- (1) Owned a single-family dwelling, in fee or by contract to purchase, for at least three years, or has been a resident of South Dakota for at least five years;
- (2) Resided for at least eight months of the previous calendar year in the single-family dwelling;
- (3) Established a base year;
- (4) A household income, as defined in § 10-6A-1, of less than sixteen thousand dollars if the household is a single-member household; and
- (5) A household income, as defined in § 10-6A-1, of less than twenty thousand dollars if the household is a multiple-member household.

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

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

To be eligible for the prohibition on the collection of real property taxes under this chapter, a person must submit an application annually on or before April first to the county treasurer in the county where the person's property is located. The application must be made on forms prescribed by the secretary in rules promulgated pursuant to chapter 1-26. The secretary shall make available to each county treasurer, forms for the property tax program. Each county treasurer shall, upon request of an applicant, assist the applicant in completing the forms.

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

An applicant for a prohibition on the collection of real property taxes under this chapter must include such documentary evidence as the county treasurer deems necessary to assure validity of the claim.

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

The county treasurer shall make the final determination whether an applicant seeking a prohibition on the collection of real property taxes pursuant to this chapter is qualified. A county treasurer shall maintain records showing the property taxes that have been not collected under this chapter.

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

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

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

A person is not eligible for a refund of property taxes pursuant to chapter 10-18A if the person receives property tax relief pursuant to this chapter.

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

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

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

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

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

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

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

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

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

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

If household income	but	The tax due reduction
is at least:	less than	on current levy is:
\$ 0	\$14,000	100%
14,000	15,000	75%
15,000	17,000	50%
17,000	18,000	25%
18,000		0%

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

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

If household income	but	The tax due
is at least	less than	reduction on current
		levy is:
\$ 0	\$ 18,500	100%
18,500	19,500	75%
19,500	21,000	50%
21,000	22,000	25%

22,000

0%

Section 14. That chapter 10-4 be amended with a NEW SECTION:

Beginning on January 1, 2024, each household income value listed in the schedules in §§ 10-4-24.12 and 10-4-24.13 shall increase annually by the index factor. The index factor is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics of the United States Department of Labor for the year before the year immediately preceding the year of adjustment or the annual percentage change in federal social security payments for the preceding year, whichever is greater.

Section 15. That § 10-6B-6 be AMENDED:

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

If household income is		The reduction of real property taxes due
at least:	but less than	shall be
\$ 0	\$14,000	100%
14,000	15,000	75%
15,000	17,000	50%
17,000	18,000	25%
18,000		0%

Section 16. That § 10-6B-7 be AMENDED:

10-6B-7. The amount of reduction of real property taxes due for a multiple-member household made pursuant to this chapter is according to the following schedule:

If household income is		The reduction of real property taxes due
at least:	but less than	shall be
\$ 0	18,500	100%

18,500	19,500	75%
19,500	21,000	50%
21,000	22,000	25%
22,000		0%

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

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

Section 18. That § 43-31-31 be REPEALED.

Section 19. That § 43-31-32 be REPEALED.

Section 20. That § 43-31-33 be REPEALED.

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

Section 22. That § 43-31-35 be REPEALED.

Section 23. That § 43-31-36 be REPEALED.

Section 24. That § 43-31-37 be REPEALED.

Section 25. That § 43-31-38 be REPEALED.

Section 26. That § 43-31-39 be REPEALED.

Section 27. That § 43-31-40 be REPEALED.

Section 28. That § 43-31-41 be REPEALED.

An Act to transfer a property tax relief program, to change income requirements for certain property tax relief programs, and to index certain income schedules to inflation.

I certify that the attached Act originated in
the:
Senate as Bill No. 26

Received at this Executive Office
this ____ day of _____,
2023 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby
approved this ____ day of
_____, A.D., 2023

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2023
at _____ o'clock __ M.

Chief Clerk

Secretary of State

Senate Bill No. 26
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State