



## 2023 South Dakota Legislature

# Senate Joint Resolution 503

Introduced by: **Senator Frye-Mueller**

1 **A JOINT RESOLUTION, Proposing and submitting to the voters at the next general**  
 2 **election an amendment to the Constitution of the State of South Dakota,**  
 3 **limiting the amount of ad valorem tax on real property, and limiting the**  
 4 **increase in the assessed value of real property.**

5 BE IT RESOLVED BY THE SENATE OF THE STATE OF SOUTH DAKOTA, THE HOUSE OF  
 6 REPRESENTATIVES CONCURRING THEREIN:

7 **Section 1.** That at the next general election held in the state, the following amendment to  
 8 Article XI of the Constitution of the State of South Dakota, as set forth in section 2 of this  
 9 Joint Resolution, which is hereby agreed to, shall be submitted to the electors of the state for  
 10 approval.

11 **Section 2. That Article XI, § 2 of the Constitution of the State of South Dakota, be**  
 12 **AMENDED:**

13 **§ 2.** To the end that the burden of taxation may be equitable upon all property,  
 14 and in order that no property which is made subject to taxation shall escape, the  
 15 Legislature is empowered to divide all property including moneys and credits as well as  
 16 physical property into classes and to determine what class or classes of property shall be  
 17 subject to taxation and what property, if any, shall not be subject to taxation. Taxes shall  
 18 be uniform on all property of the same class, and shall be levied and collected for public  
 19 purposes only. Taxes may be imposed upon any and all property including privileges,  
 20 franchises and licenses to do business in the state. Gross earnings and net incomes may  
 21 be considered in taxing any and all property, and the valuation of property for taxation  
 22 purposes shall never exceed the actual value thereof. The Legislature is empowered to  
 23 impose taxes upon incomes and occupations, and taxes upon incomes may be graduated  
 24 and progressive and reasonable exemptions may be provided.

25 For the purposes of taxation, the assessed value of real property, except centrally  
 26 assessed property, shall be based on the fair market value of the property. The assessed

1 value of real property may be annually adjusted by a factor not to exceed two percent as  
2 determined by the Legislature. The annual adjustment provided in this section of the  
3 assessed value of such property is applicable each year beginning with the 2024 assessed  
4 property valuation, which is hereby established as the base year for this valuation  
5 procedure. However, the value of property may be further adjusted if there is a change in  
6 use or classification or to account for any addition, improvement, or destruction to the  
7 property.

8 The maximum amount of all ad valorem tax on real property may not exceed one  
9 percent of the assessed value of the property. The limitation on the amount of all ad  
10 valorem tax on real property does not apply to ad valorem taxes or special assessments  
11 to pay the interest or redemption charges on any indebtedness approved by voters prior  
12 to July 1, 2026.

13 **Section 3.** Section 2 of this Act is effective July 1, 2026.