

AN ACT

ENTITLED, An Act to revise certain provisions related to property tax assessments for elderly and disabled persons.

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

Section 1. That § 10-6A-1 be amended to read as follows:

10-6A-1. Terms as used in this chapter mean:

- (1) "Base year," for any property owner who reached sixty-five years of age or became disabled in or prior to 1981, the base year is 1977. For any property owner who reaches sixty-five years of age or becomes disabled after 1981, the base year is the year in which the property owner reaches the age of sixty-five or the year in which the property owner becomes disabled. 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) "Base year assessment," the actual assessed value of a single-family dwelling in the base year or, at the applicant's election, a year subsequent to the base year. The applicant need not have been the owner of the dwelling during the base year;
- (3) "Department," the South Dakota Department of Revenue and Regulation;
- (4) "Disabled," any person who receives or is qualified to receive monetary payments, pursuant to Title II, X, XIV, or XVI of the Social Security Act, as amended to January 1, 2008, for all or part of the year for which a property tax assessment freeze application is made;
- (5) "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;
- (6) "Household income," all income received during the preceding calendar year by all

persons of a household while members of the household;

- (7) "Income," the sum of adjusted gross income as defined in the United States Internal Revenue Code of 1954, as amended to January 1, 2008, and IRA disbursements, the amount of capital gains excluded from adjusted gross income, alimony, support money, nontaxable strike benefits, cash public assistance and relief, the gross amount of any pension or annuity, including Railroad Retirement Act benefits and veterans disability pensions, all payments received under the federal social security and state unemployment insurance laws, nontaxable interest, life insurance proceeds that exceed twenty thousand dollars, any gift or inheritance that exceeds five hundred dollars, proceeds from a court action, any sale of a personal item that exceeds five hundred dollars, foster care income, and workers' compensation;
- (8) "Property owner," the owner of a dwelling as recorded by the register of deeds in the county where the dwelling is located. A joint tenant, an owner of a life estate, a beneficiary of a trust, and a vendee of a contract for deed as filed with the register of deeds in the county where the dwelling is located is considered to be an owner;
- (9) "Real property tax assessment freeze," for tax purposes, the assessment of a single-family dwelling as recorded in the base year on the county assessment roll and held constant at that value;
- (10) "Secretary," the secretary of the South Dakota Department of Revenue and Regulation;
- (11) "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;
- (12) "Surviving spouse," the spouse of a deceased property owner who has not remarried.

Section 2. That § 10-6A-2 be amended to read as follows:

10-6A-2. Any person making an application under the provisions of this chapter is entitled to a real property tax assessment freeze upon the person's single-family dwelling if the following conditions are met. The person:

- (1) Has a household income of less than twenty thousand dollars if the household is a single-member household or the person has a household income of less than twenty-five thousand dollars if the household is a multiple-member household; and
- (2) Has been a property owner and a resident of South Dakota for at least one year; and
- (3) Has resided for at least two hundred days of the previous calendar year in the single-family dwelling; and
- (4) Has established a base year.

The surviving spouse of a person who has previously qualified is entitled to the real property tax assessment freeze if the surviving spouse meets the other conditions of this chapter.

Beginning on January 1, 2005, the household income listed in subdivision (1) of this section shall increase 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 § 10-6A-4 be amended to read as follows:

10-6A-4. The application for the real property tax assessment freeze provided under this chapter shall be annually submitted on or before April first on forms prescribed by the secretary of revenue and regulation. The form shall be made available to the county treasurer who shall, upon request of an applicant, assist the applicant in completing the form. The property owner shall sign the certificate

under penalty of perjury. A person failing to comply with the April first deadline for the previous year, but otherwise qualifying for the real property tax assessment freeze provided under this chapter, may petition the board of county commissioners to recalculate the taxes based on the valuation the person would have received under this program and abate the difference in taxes.

Section 4. That chapter 10-6A be amended by adding thereto a NEW SECTION to read as follows:

Any person who receives a reduction in value due to false application for the real property tax assessment freeze by misrepresenting the facts as to the person's ownership or income shall be assessed the amount of tax reduction received due to the assessment freeze. The assessment is a perpetual lien on the property pursuant to § 10-21-33. The person is barred from receiving the assessment freeze reduction on any property in the state for the following three years.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1182

Chief Clerk

Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1182
File No. _____
Chapter No. _____

Received at this Executive Office
this _____ day of _____ ,

20____ at _____ M.

By _____
for the Governor

The attached Act is hereby
approved this _____ day of
_____, A.D., 20____

Governor

STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20____
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State