



## 2025 South Dakota Legislature

# House Bill 1119

Introduced by: **Representative Ladner**

1 **An Act to limit annual valuation increases on owner-occupied single-family**  
 2 **dwellings and nonagricultural property.**

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

4 **Section 1. That chapter 10-6 be amended with a NEW SECTION:**

5 For purposes of the annual assessment required by § 10-6-105, the assessed value  
 6 of an owner-occupied single-family dwelling or nonagricultural property may not increase  
 7 more than three percent annually from the assessed value of the property in the prior  
 8 year, unless otherwise provided in this section.

9 When a change in ownership of an owner-occupied single-family dwelling or  
 10 nonagricultural property occurs without the property being sold between a willing seller  
 11 and a willing buyer in an arms-length transaction, the assessed value of the property for  
 12 that assessment year may increase more than three percent over the assessed value of  
 13 the property in the prior year, and the assessed value of the property must equal the fair  
 14 market value of the property as determined with appropriate consideration of the cost  
 15 approach, the market approach, and the income approach.

16 When an owner-occupied single-family dwelling or nonagricultural property is sold  
 17 between a willing seller and a willing buyer in an arms-length transaction, the property's  
 18 assessed value in that year must equal the sales price of the property.

19 The assessed value of any owner-occupied single-family dwelling and  
 20 nonagricultural property may be further increased if there is a change in the use or  
 21 classification of the property or to account for any addition or expansion to the property.

22 **Section 2. That § 10-6-105 be AMENDED:**

23 **10-6-105.** All real property subject to taxation ~~shall~~ must be listed and assessed  
 24 annually, but the value of ~~such~~ the property is to be determined according to its value on  
 25 the first day of November preceding the assessment, while the value of any owner-

- 1 occupied single-family dwelling and nonagricultural property is subject to the value
- 2 limitations provided in section 1 of this Act.