



## 2025 South Dakota Legislature

# Senate Bill 169

Introduced by: **Senator Hulse**

1 **An Act to require that taxing districts hold a public hearing when increasing property**  
2 **tax revenues relative to the previous year.**

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

4 **Section 1. That chapter 10-12 be amended with a NEW SECTION:**

5 For purposes of sections 1 to 8, inclusive, of this Act, "revenue-neutral rate" means  
6 the tax rate for the current tax year that would generate the same property tax revenue  
7 as levied the previous tax year using the total taxable assessed valuation for the current  
8 tax year.

9 To calculate the revenue-neutral rate, the county auditor shall divide the property  
10 tax revenue for a taxing district, levied in the previous tax year, by the total of all taxable  
11 assessed value in the taxing district for the current tax year, and multiply the quotient by  
12 one thousand. The revenue-neutral rate must be expressed to the third decimal place.

13 **Section 2. That chapter 10-12 be amended with a NEW SECTION:**

14 On or before June fifteenth of each year, the county auditor shall calculate the  
15 revenue-neutral rate for each taxing district within the county. The revenue-neutral rate  
16 must be included on the notice of the estimated assessed valuation provided to each  
17 taxing district for budget purposes.

18 **Section 3. That chapter 10-12 be amended with a NEW SECTION:**

19 The property tax revenue generated from a proposed tax levy of a taxing district  
20 may not exceed the property tax revenue that would be generated in accordance with the  
21 revenue-neutral rate, unless the proposed tax levy has been approved by the governing  
22 body of the taxing district.

23 **Section 4. That a NEW SECTION be added to chapter 10-12:**

1 Prior to the approval of a tax levy pursuant to section 3 of this Act, the governing  
2 body of a taxing district shall hold a public hearing on the taxing district's proposal to  
3 exceed the revenue-neutral rate for the following tax year and provide interested  
4 taxpayers an opportunity to present oral testimony, within reasonable time limits and  
5 without unreasonable restriction on the number of individuals allowed to make public  
6 comment.

7 The hearing may be held no earlier than August twentieth and no later than  
8 September twentieth.

9 **Section 5. That a NEW SECTION be added to chapter 10-12:**

10 At least ten days in advance of a public hearing held in accordance with section 4  
11 of this Act, the governing body of the taxing district shall publish, in a newspaper of  
12 general circulation within the taxing district, notice of its proposed intent to exceed the  
13 revenue-neutral rate. The notice must include:

- 14 (1) The proposed tax rate of the taxing district;  
15 (2) The taxing district's revenue-neutral rate; and  
16 (3) The date, time, and location of the public hearing.

17 If the governing body of the taxing district maintains a website, the notice must  
18 be published on the website, at least ten days in advance of the public hearing.

19 **Section 6. That a NEW SECTION be added to chapter 10-12:**

20 On or before July twentieth, the governing body shall notify the county auditor of  
21 its proposed intent to exceed the revenue-neutral rate pursuant to section 3 of this Act.  
22 The governing body shall provide to the county auditor the date, time, and location of the  
23 public hearing held in accordance with section 4 of this Act and the proposed tax rate.

24 The county auditor shall notify each taxpayer with property in the taxing district,  
25 by mail directed to the taxpayer's last known address, of the proposed intent to exceed  
26 the revenue rate, at least ten days in advance of the public hearing. Alternatively, the  
27 county auditor may transmit the notice to the taxpayer by electronic means, at least ten  
28 days in advance of the public hearing, if the taxpayer has consented in writing to service  
29 by electronic means. Costs associated with the notice must be borne by the governing  
30 body having jurisdiction over the taxing district, in proportion to the property tax levied  
31 by each taxing district holding a public hearing required under this Act, with payment due  
32 to the county auditor by December thirty-first.

1           The county auditor shall consolidate the required information for all taxing districts  
2 within the county, relevant to the taxpayer's property, on one notice. The notice must  
3 include:

4       (1) The revenue-neutral rate;

5       (2) The proposed property tax revenue needed to fund the proposed budget;

6       (3) The proposed tax rate based upon the proposed budget and the current year's total  
7 assessed valuation;

8       (4) The tax rate and property tax of the taxing district on the taxpayer's property from  
9 the previous year's tax statement;

10      (5) The proposed percent change in the tax rate between the previous year's tax rate  
11 and the proposed tax rate for the current year;

12      (6) The taxable value and assessed value of the taxpayer's property for the current  
13 year;

14      (7) The estimates of the tax for the current tax year on the taxpayer's property based  
15 on the revenue-neutral rate and the proposed tax rate; and

16      (8) The date, time and location of the public hearing.

17   **Section 7. That a NEW SECTION be added to chapter 10-12:**

18           A majority vote of the governing body of the taxing district, by the adoption of a  
19 resolution or ordinance to exceed the revenue-neutral rate, is required prior to the  
20 adoption of the proposed tax levy in excess of the revenue-neutral rate. The vote must  
21 be conducted at the public hearing held in accordance with section 4 of this Act, after the  
22 governing body has heard from interested taxpayers.

23   **Section 8. That chapter 10-12 be amended with a NEW SECTION:**

24           In addition to any other remedies permitted by law, a taxing district that levies or  
25 approves taxes in excess of the revenue produced by the revenue-neutral rate without  
26 satisfying the provisions of this Act, shall refund to taxpayers the amount of the levy that  
27 was in excess of the revenue-neutral rate levy.