



2026 South Dakota Legislature

House Bill 1036

Introduced by: **Representative Auch**

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 § 10-6-105 be AMENDED:**

5 **10-6-105.** All real property subject to taxation ~~shall~~ must be listed and assessed
 6 annually, but the value of ~~such~~ the property is to be determined according to its value on
 7 the first day of November preceding the assessment, while the value of any owner-
 8 occupied single-family dwelling and nonagricultural property, as classified in § 10-6-110,
 9 is subject to the value limitations provided in section 2 of this Act.

10 **Section 2. That chapter 10-6 be amended with a NEW SECTION:**

11 Except as otherwise provided in this section, for purposes of the annual assessment
 12 required by § 10-6-105, the assessed value of an owner-occupied single-family dwelling
 13 or nonagricultural property may not increase more than three percent annually.

14 A property subject to the limitation of this section must be assessed at its fair
 15 market value when:

- 16 (1) A change in ownership of the property occurs;
 17 (2) The classification or use of the property changes; or
 18 (3) An addition or expansion has been made to the property.

19 Subdivision (3) of this section does not include additions to, or expansions of,
 20 existing structures affixed to the land if the improvements result in an increase in the
 21 property's fair market value of forty percent or less. The renovation of existing structures
 22 does not constitute an addition or expansion of the property.