



2026 South Dakota Legislature

Senate Bill 154

Introduced by: **Senator Hulse**

1 **An Act to clarify the eligibility of multiple garages or structures to be classified as**
 2 **owner-occupied.**

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

4 **Section 1. That § 10-13-39 be AMENDED:**

5 **10-13-39.** Each owner-occupied single-family dwelling in this state is specifically
 6 classified for the purpose of taxation. For the purposes of this section, an owner-occupied
 7 single-family dwelling is a house, condominium apartment, residential housing consisting
 8 of four or less family units, town house, town home, housing cooperatives where
 9 membership in the cooperative is strictly limited to stockholder occupants of the building,
 10 dwelling as classified in § 10-13-39.1, and manufactured or mobile home as defined in
 11 § 32-3-1, which is assessed and taxed as a separate unit, ~~including an attached or~~
 12 ~~unattached garage.~~ An owner-occupied single-family dwelling includes all garages and
 13 ancillary structures related to the residential use of the dwelling by the owner, and the
 14 ~~parcel~~ parcels of land upon which the ~~structure is~~ garages or structures are situated, as
 15 recorded in the records of the director of equalization.

16 A person may only have one dwelling, which is the person's principal place of
 17 residence as defined in § 12-1-4, classified as an owner-occupied single-family dwelling.
 18 If the owner occupies fifty percent or more of the living space within the dwelling, the
 19 entire dwelling is classified as an owner-occupied single-family dwelling. If the owner
 20 occupies a duplex, triplex, or fourplex, or less than fifty percent of the living space within
 21 the dwelling, the portion of the dwelling so occupied ~~shall~~ must be classified as an owner-
 22 occupied single-family dwelling.

23
 24 **Section 2. That § 10-13-45 be AMENDED:**

1 **10-13-45.** Any contractor that has constructed or is constructing a single-family
 2 dwelling, as defined in § 10-13-39, for the purpose of selling the dwelling to be occupied
 3 as a single-family dwelling may apply to have the property specifically classified for the
 4 purpose of taxation pursuant to §§ 10-13-39 to 10-13-40.3, inclusive, as an owner-
 5 occupied single-family dwelling. ~~For the purposes of this section, a single family dwelling~~
 6 ~~is a house, condominium apartment, residential housing consisting of four or less family~~
 7 ~~units, town house, or town home, which may be assessed and taxed as a separate unit,~~
 8 ~~including an attached or unattached garage and the parcel of land upon which the~~
 9 ~~structure is situated as recorded in the records of the director of equalization.~~

10 A contractor may only have a maximum of four dwellings classified as owner-
 11 occupied single-family dwellings. If any portion of the space is or has been occupied, only
 12 the portion of the dwelling not currently or previously occupied shall be classified as an
 13 owner-occupied single-family dwelling. The contractor shall comply with the application
 14 provisions imposed on the owner-occupant pursuant to §§ 10-13-39 to 10-13-40.3,
 15 inclusive. ~~However, no~~ No dwelling, pursuant to this section, may be classified as an
 16 owner-occupied single-family dwelling for more than two consecutive years.