



2026 South Dakota Legislature

Senate Bill 199

Introduced by: **Senator Karr**

1 **An Act to establish a new fund to provide property tax relief.**

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

3 **Section 1. That a NEW SECTION be added to chapter 10-13:**

4 There is created in the state treasury the property tax relief fund. The fund consists
 5 of moneys transferred from the general fund pursuant to section 2 of this Act.

6 The Department of Revenue shall administer the fund. The purpose of the fund is
 7 to supplement property tax levies of political subdivisions of this state to reduce property
 8 taxes imposed on real property as provided for by the Legislature. Interest on moneys
 9 credited to the fund must remain in the fund. Expenditures from the fund must be by a
 10 special appropriation of the Legislature.

11 **Section 2. That a NEW SECTION be added to chapter 10-13:**

12 On or before August first of 2026, the state treasurer shall transfer from the general
 13 fund into the property tax relief fund, established in section 1 of this Act, twenty-five
 14 percent of the annual increase in general fund moneys in the 2026 fiscal year over the
 15 2025 fiscal year. If there is no increase in the general fund moneys in the 2026 fiscal year
 16 over the 2025 fiscal year, the amount deposited into the fund is zero.

17 On or before each subsequent August first, the state treasurer shall transfer from
 18 the general fund into the property tax relief fund, the sum of:

19 (1) The amount deposited into the property tax relief fund in the previous fiscal year;
 20 and

21 (2) Twenty-five percent of the annual increase in general fund moneys in the previous
 22 fiscal year over the fiscal year prior to the previous fiscal year.

23 If there is no increase in the general fund moneys in the previous fiscal year, the
 24 amount to be deposited into the property tax relief fund is equal to subdivision (1) of this
 25 section.