2026 South Dakota Legislature

Senate Bill 126

AMENDMENT 126A
FOR THE INTRODUCED BILL

An Act to increase the amount of value exempt from property taxes under a tax relief program for disabled veterans and surviving spouses.

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

Section 1. That § 10-4-40 be AMENDED:

10-4-40. ~~Two~~ Three hundred ~~fifty~~ thousand dollars of the full and true value of ~~the total amount of~~ a dwelling~~,~~ or portion thereof~~,~~ classified as owner-occupied pursuant to §§ 10-13-39 to 10-13-40.4, inclusive, that is owned and occupied by a veteran who is rated as permanently and totally disabled from a service-connected disability~~,~~ is exempt from property taxation. The veteran shall apply for this partial exemption on a form prescribed by the secretary of ~~revenue~~ the Department of Revenue. Any application or supporting document for this exemption is confidential. ~~Any~~ A veteran who would otherwise qualify for this exemption but fails to comply with the application deadline for the owner-occupied classification or the deadline for application for this exemption may petition the board of county commissioners to recalculate the taxes based upon the owner-occupied classification and this exemption and abate or refund the difference in taxes pursuant to chapter 10-18.

If the director of equalization determines that the veteran receives an exemption for the veteran's dwelling pursuant to this section, the veteran retains ~~that~~ the exemption until the property ownership is transferred, the veteran does not occupy the dwelling, or the property has a change in use. If the legal description of property is changed or amended and the veteran continues to reside in the dwelling, the veteran retains the exemption provided by this section.

Section 2. That § 10-4-41 be AMENDED:

10-4-41. ~~Two~~ Three hundred ~~fifty~~ thousand dollars of the full and true value of ~~the total amount of~~ a dwelling, or portion thereof, classified as owner-occupied pursuant to §§ 10-13-39 to 10-13-40.4, inclusive, is exempt from property taxation if owned and occupied by:

(1) The surviving spouse of a veteran who was rated as permanently and totally disabled from a service-connected disability; or

(2) The surviving spouse of a veteran, who receives dependency and indemnity compensation from the United States Department of Veterans Affairs as a result of the veteran's service-connected death.

The surviving spouse shall apply for this partial exemption on a form prescribed by the secretary of ~~revenue. Any~~ <u>the Department of Revenue. The</u> application ~~or~~ <u>and</u> supporting document for this exemption is confidential. ~~Any~~ <u>A</u> surviving spouse who would otherwise qualify for this exemption but fails to comply with the application deadline for the owner-occupied classification or the deadline for application for this exemption may petition the board of county commissioners to recalculate the taxes based upon the owner-occupied classification and this exemption and abate or refund the difference in taxes pursuant to chapter 10-18.

If the director of equalization determines that the surviving spouse receives an exemption for the dwelling pursuant to this section, the surviving spouse retains ~~that~~ <u>the</u> exemption until the property ownership is transferred, the surviving spouse does not occupy the dwelling, the surviving spouse remarries, or the property has a change in use. If the legal description of property is changed or amended and the surviving spouse continues to reside in the dwelling, the surviving spouse retains the exemption provided by this section.