



2026 South Dakota Legislature
Senate Bill 4
ENROLLED

AN ACT

ENTITLED An Act to revise procedures for returning and withholding security deposits for residential premises.

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

Section 1. That § 43-32-24 be AMENDED:

43-32-24. Every lessor of residential premises shall, within twenty-one days after the termination of the tenancy and receipt of the tenant's mailing address or delivery instructions, return the security deposit described in § 43-32-6.1 to the tenant or furnish to the tenant a written statement showing the specific reason for withholding the deposit, or any portion of the deposit. The lessor may withhold from the deposit only the amounts reasonably necessary to:

- (1) Remedy tenant defaults in the payment of:
 - (a) Rent; and
 - (b) Other funds due to the landlord pursuant to an agreement; and
- (2) Restore the premises to their condition at the commencement of the tenancy, ordinary wear and tear excepted.

Within forty-five days after termination of the tenancy, upon request of the lessee, the lessor must provide the lessee with an itemized accounting of any deposit withheld.

Any lessor of residential premises who fails to comply with this section forfeits all rights to withhold any portion of the deposit.

The bad faith retention of a deposit, or any portion of a deposit, by a lessor of residential premises, in violation of this section, or the bad faith failure to provide the written statement or itemized accounting, as required by this section, subjects the lessor to punitive damages not to exceed two hundred dollars.

An Act to revise procedures for returning and withholding security deposits for residential premises.

I certify that the attached Act originated in the:

Received at this Executive Office this ____ day of _____,

Senate as Bill No. 4

2026 at _____ M.

Secretary of the Senate

By _____
for the Governor

President of the Senate

The attached Act is hereby approved this _____ day of _____, A.D., 2026

Attest:

Secretary of the Senate

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

Speaker of the House

Attest:

Filed _____, 2026
at _____ o'clock __ M.

Chief Clerk of the House

Secretary of State

Senate Bill No. 4
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State