

## 2026 South Dakota Legislature

**House Bill 1193****AMENDMENT 1193B  
FOR THE INTRODUCED BILL**

1 **An Act to ~~require~~authorize that a county provide a refund of taxes to disabled**  
2 **veterans and surviving spouses under certain property tax relief programs.**

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

4 **Section 1. That § 10-4-40 be AMENDED:**

5 **10-4-40.** Two hundred thousand dollars of the full and true value of the total  
6 amount of a dwelling or portion thereof classified as owner-occupied pursuant to §§ 10-  
7 13-39 to 10-13-40.4, inclusive, ~~that~~ which is owned and occupied by a veteran who is  
8 rated as permanently and totally disabled from a service-connected disability, is exempt  
9 from property taxation. The veteran shall apply for this partial exemption on a form  
10 prescribed by the secretary of revenue. Any application or supporting document for this  
11 exemption is confidential.

12 Any veteran who would otherwise qualify for this exemption but fails to comply  
13 with the application deadline for the owner-occupied classification or the deadline for  
14 application for this exemption may petition the board of county commissioners to  
15 recalculate the taxes based upon the owner-occupied classification and this exemption  
16 ~~and~~. If the veteran meets all eligibility requirements for this exemption except for the  
17 application deadline, the board ~~must~~ may abate or refund the difference in taxes  
18 accumulated over a period not exceeding the previous four years, pursuant to chapter 10-  
19 18.

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

26 **Section 2. That § 10-4-41 be AMENDED:**

1           **10-4-41.** Two hundred thousand dollars of the full and true value of the total  
2 amount of a dwelling, or portion thereof, classified as owner-occupied pursuant to §§ 10-  
3 13-39 to 10-13-40.4, inclusive, is exempt from property taxation if owned and occupied  
4 by:

- 5 (1) The surviving spouse of a veteran who was rated as permanently and totally  
6 disabled from a service-connected disability; or
- 7 (2) The surviving spouse of a veteran, who receives dependency and indemnity  
8 compensation from the United States Department of Veterans Affairs as a result of  
9 the veteran's service-connected death.

10           The surviving spouse shall apply for this partial exemption on a form prescribed by  
11 the secretary of revenue. Any application or supporting document for this exemption is  
12 confidential.

13           Any surviving spouse who would otherwise qualify for this exemption but fails to  
14 comply with the application deadline for the owner-occupied classification or the deadline  
15 for application for this exemption may petition the board of county commissioners to  
16 recalculate the taxes based upon the owner-occupied classification and this exemption  
17 and, if the surviving spouse meets all eligibility requirements for this exemption except  
18 for the application deadline, the board ~~must~~ may abate or refund the difference in taxes  
19 accumulated over a period not exceeding the previous four years, pursuant to chapter 10-  
20 18.

21           If the director of equalization determines that the surviving spouse receives an  
22 exemption for the dwelling pursuant to this section, the surviving spouse retains that  
23 exemption until the property ownership is transferred, the surviving spouse does not  
24 occupy the dwelling, the surviving spouse remarries, or the property has a change in use.  
25 If the legal description of property is changed or amended and the surviving spouse  
26 continues to reside in the dwelling, the surviving spouse retains the exemption provided  
27 by this section.

28 **Section 3. That § 10-18-1 be AMENDED:**

29           **10-18-1.** Unless otherwise ~~expressly~~ provided, if a person, against whom an  
30 assessment has been made or a tax levied, claims that the assessment or tax or any part  
31 of the assessment or tax is invalid for any reason provided in ~~subdivisions (1) to (6),~~  
32 inclusive, this section, the assessment or tax may be abated, or the tax refunded if paid.  
33 The board of county commissioners may abate or refund, in whole or in part, the invalid  
34 assessment or tax in the following cases only:

- 1 (1) If an error has been made in any identifying entry or description of the real  
2 property, in entering the valuation of the real property or in the extension of the  
3 tax, to the injury of the complainant;
- 4 (2) If improvements on any real property were considered or included in the valuation  
5 of the real property, which did not exist on the real property at the time fixed by  
6 law for making the assessment;
- 7 (3) If the complainant or the property is exempt from the tax;
- 8 (4) If the complainant had no taxable interest in the property assessed against the  
9 complainant at the time fixed by law for making the assessments;
- 10 (5) If taxes have been erroneously paid or error made in noting payment or issuing  
11 receipt for the taxes paid;
- 12 (6) If the same property has been assessed against the complainant more than once  
13 in the same year, and the complainant produces satisfactory evidence that the tax  
14 for the year has been paid; or
- 15 (7) A person qualifies for the property tax exemption under § 10-4-40 or 10-4-41, but  
16 failed to comply with the application deadline.
- 17 ~~However, no~~ No tax may be abated on any real property ~~which~~ that has been sold  
18 for taxes, while a tax certificate is outstanding.