

Minutes: House Taxation

Thursday, February 19, 2026 7:45 AM

Roll Call

Present: Rep. Czmowski, Rep. Jensen (Phil), Rep. Massie, Rep. Mortenson,
Rep. Pourier, Rep. Randolph, Rep. Reimer, Rep. Roe, Rep. Weems,
Rep. Weisgram, Rep. Hughes, and Rep. Aylward
Excused: Rep. Walburg

The meeting was called to order by Representative Aylward

MOTION: TO APPROVE THE MINUTES OF TUESDAY, FEBRUARY 17TH

Moved by: Randolph
Second by: Jensen (Phil)
Action: Prevailed by voice vote

HB 1307 : limit the annual increase in assessed value of each owner-occupied single-family dwelling.

MOTION: TO TABLE HB 1307

Moved by: Randolph
Second by: Jensen (Phil)
Action: Prevailed by Majority Members Elect (12-0-1-0)

Voting Yes: Czmowski, Jensen (Phil), Massie, Mortenson, Pourier, Randolph, Reimer, Roe, Weems, Weisgram, Hughes, and Aylward

Excused: Walburg

HB 1259 : require that the Department of Revenue provide for an online application for property tax relief programs.

Presented by: Representative Greg Jamison
Proponents: Erik Nelson, AARP South Dakota
Opponents: Wendy Semmler, Department of Revenue
Helen Jane Paxton, Self
Roger Tellinghuisen, South Dakota Association of County Officials
Myron Hertel, Self

MOTION: REFER HB 1259 TO HOUSE COMMITTEE ON APPROPRIATIONS WITH A DO PASS RECOMMENDATION

Moved by: Mortenson
Second by: Roe
Action: Was not acted on.

MOTION: SUBSTITUTE MOTION: DEFER HB 1259 TO THE 41ST LEGISLATIVE DAY

Moved by: Jensen (Phil)
Second by: Randolph

Action: Failed by Majority Members Elect (5-7-1-0)

Voting Yes: Jensen (Phil), Randolph, Reimer, Hughes, and Aylward

Voting No: Czmowski, Massie, Mortenson, Pourier, Roe, Weems, and Weisgram

Excused: Walburg

Revert to previous motion

MOTION: REFER HB 1259 TO HOUSE COMMITTEE ON APPROPRIATIONS WITH A DO PASS RECOMMENDATION

Moved by: Mortenson

Second by: Roe

Action: Prevailed by roll call vote (7-5-1-0)

Voting Yes: Czmowski, Massie, Mortenson, Pourier, Roe, Weems, and Weisgram

Voting No: Jensen (Phil), Randolph, Reimer, Hughes, and Aylward

Excused: Walburg

HB 1317 : eliminate a limit on the accumulation of the unused index factor for property taxation.

Presented by: Representative Travis Ismay

Opponents: Wendy Semmler, Department of Revenue

Matthew M. Bogue, South Dakota Farm Bureau Federation

Nathan Sanderson, South Dakota Retailers Association

MOTION: DO PASS HB 1317

Moved by: Randolph

Second by: Jensen (Phil)

Action: Was not acted on.

MOTION: SUBSTITUTE MOTION: DEFER HB 1317 TO THE 41ST LEGISLATIVE DAY

Moved by: Weisgram

Second by: Weems

Action: Failed by Majority Members Elect (6-5-2-0)

Voting Yes: Massie, Mortenson, Reimer, Roe, Weems, and Weisgram

Voting No: Jensen (Phil), Pourier, Randolph, Hughes, and Aylward

Excused: Czmowski and Walburg

Revert to previous motion

MOTION: DO PASS HB 1317

Moved by: Randolph
 Second by: Jensen (Phil)
 Action: Failed by Majority Members Elect (5-6-2-0)

Voting Yes: Jensen (Phil), Pourier, Randolph, Hughes, and Aylward

Voting No: Massie, Mortenson, Reimer, Roe, Weems, and Weisgram

Excused: Czmowski and Walburg

MOTION: WITHOUT RECOMMENDATION HB 1317

Moved by: Randolph
 Second by: Hughes
 Action: Prevailed by Majority Members Elect (7-4-2-0)

Voting Yes: Jensen (Phil), Massie, Mortenson, Pourier, Randolph, Hughes, and Aylward

Voting No: Reimer, Roe, Weems, and Weisgram

Excused: Czmowski and Walburg

HB 1281 : reduce the sales and use tax rates on food, to increase the rates for certain taxes, use taxes, and excise taxes, and to provide a new fund for school district capital outlay projects.

Presented by: Representative Erik Muckey
 Proponents: Ellie J. Bailey, South Dakota Advocacy Network for Women
 Opponents: Derek Johnson, Bureau of Finance and Management
 Nathan Sanderson, South Dakota Retailers Association
 Matthew M. Bogue, South Dakota Farm Bureau Federation

MOTION: AMEND HB 1281

1281A

On page 1, line 14, of the Introduced bill, remove the overstrikes from ""Candy," any preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. The term, candy, does not include any preparation containing flour and does not require refrigeration;"

On page 1, line 18, of the Introduced bill, remove the overstrikes from "(4) "Delivery charges," charges by the retailer for preparation and delivery to a location designated by the purchaser of tangible personal property, any product transferred electronically, or services including transportation, shipping, postage, handling, crating, and packing. The term does not include postage for direct mail;"

On page 1, line 22, of the Introduced bill, remove the overstrikes from "(5) "

On page 2, line 1, of the Introduced bill, after "-1-1;

(b)" insert "Candy;

(c) "

On page 2, line 2, of the Introduced bill, delete "(c)" and insert "(d)"

On page 2, line 3, of the Introduced bill, delete "(d)" and insert "(e)"

On page 2, line 3, of the Introduced bill, after "food;" delete " or"

On page 2, line 4, of the Introduced bill, delete "(e)" and insert "(f)"

On page 2, line 4, of the Introduced bill, after "or
(e)" insert "Soft drinks; or
(g) "

On page 2, line 5, of the Introduced bill, remove the overstrikes from "(6) Repealed by SL 2007, ch 56, § 1."

On page 2, line 6, of the Introduced bill, remove the overstrikes from "(7)"

On page 2, line 6, of the Introduced bill, after "§ 1.
(7)" delete "(4)"

On page 2, line 10, of the Introduced bill, remove the overstrikes from "(8)"

On page 2, line 10, of the Introduced bill, after "unit;
(8)" delete "(5)"

On page 2, line 22, of the Introduced bill, remove the overstrikes from "(8A)"

On page 2, line 22, of the Introduced bill, after "illnesses;
(8A)" delete "(6)"

On page 2, line 26, of the Introduced bill, remove the overstrikes from "(9)"

On page 2, line 26, of the Introduced bill, after "copyright.;"
(9)" delete "(7)"

On page 2, line 28, of the Introduced bill, remove the overstrikes from "(10)"

On page 2, line 28, of the Introduced bill, after "work;
(10)" delete "(8)"

On page 2, line 30, of the Introduced bill, remove the overstrikes from "(11)"

On page 2, line 30, of the Introduced bill, after "subrent;
(11)" delete "(9)"

On page 3, line 7, of the Introduced bill, remove the overstrikes from "(12)"

On page 3, line 7, of the Introduced bill, after "retailer;
(12)" delete "(10)"

On page 3, line 8, of the Introduced bill, after "consideration;" delete " and"

On page 3, line 9, of the Introduced bill, remove the overstrikes from "(13) "Soft drinks," any nonalcoholic beverages that contain natural or artificial sweeteners. The term, soft drinks, does not include any beverage that contains milk or milk products, soy, rice of similar milk substitutes, or greater than fifty percent of vegetable or fruit juice by volume;"

On page 3, line 12, of the Introduced bill, after "volume;" insert " and"

On page 3, line 13, of the Introduced bill, remove the overstrikes from "(14)"

On page 3, line 13, of the Introduced bill, after "volume;
(14)" delete "(11)"

On page 6, line 26, of the Introduced bill, remove the overstrikes from ""Candy," any preparation of sugar, honey, or other natural or artificial sweeteners in combination with chocolate, fruits, nuts or other ingredients or flavorings in the form of bars, drops, or pieces. The term, candy, does not include any preparation containing flour and does not require refrigeration;"

On page 7, line 1, of the Introduced bill, remove the overstrikes from "(3) "Delivery charges," charges by the retailer for preparation and delivery to a location designated by the purchaser of tangible personal property, any product transferred electronically, or services including transportation, shipping, postage, handling, crating, and packing. The term does not include postage for direct mail;"

On page 7, line 5, of the Introduced bill, remove the overstrikes from "(4) "

On page 7, line 11, of the Introduced bill, remove the overstrikes from "(5)"

On page 7, line 11, of the Introduced bill, after "10-45;
(5)" delete "(3)"

On page 7, line 16, of the Introduced bill, after "-1-1;
(b)" insert "Candy;
(c) "
On page 7, line 17, of the Introduced bill, delete "(c)" and insert "(d)"
On page 7, line 18, of the Introduced bill, delete "(d)" and insert "(e)"
On page 7, line 18, of the Introduced bill, after "food;" delete " or"
On page 7, line 19, of the Introduced bill, delete "(e)" and insert "(f)"
On page 7, line 19, of the Introduced bill, after "or
(e)" insert "Soft drinks; or
(g) "
On page 7, line 20, of the Introduced bill, remove the overstrikes from "(6)"
On page 7, line 20, of the Introduced bill, after "34-20G-1;
(6)" delete "(4)"
On page 7, line 24, of the Introduced bill, remove the overstrikes from "(7)"
On page 7, line 24, of the Introduced bill, after "sale;
(7)" delete "(5)"
On page 7, line 27, of the Introduced bill, remove the overstrikes from "(8)"
On page 7, line 27, of the Introduced bill, after "America;
(8)" delete "(6)"
On page 8, line 4, of the Introduced bill, remove the overstrikes from "(8A)"
On page 8, line 4, of the Introduced bill, after "illnesses;
(8A)" delete "(7)"
On page 8, line 8, of the Introduced bill, remove the overstrikes from "(9)"
On page 8, line 8, of the Introduced bill, after "copyright.;"
(9)" delete "(8)"
On page 8, line 12, of the Introduced bill, remove the overstrikes from "(10)"
On page 8, line 12, of the Introduced bill, after "purchase;
(10)" delete "(9)"
On page 8, line 14, of the Introduced bill, remove the overstrikes from "(11)"
On page 8, line 14, of the Introduced bill, after "10-45;
(11)" delete "(10)"
On page 8, line 26, of the Introduced bill, remove the overstrikes from "(12)"
On page 8, line 26, of the Introduced bill, after "chapter;
(12)" delete "(11)"
On page 9, line 1, of the Introduced bill, remove the overstrikes from "(13)"
On page 9, line 1, of the Introduced bill, after "state;
(13)" delete "(12)"
On page 9, line 4, of the Introduced bill, remove the overstrikes from "(14) "Soft drinks,"
any nonalcoholic beverages that contain natural or artificial sweeteners. The term, soft
drinks, does not include any beverage that contains milk or milk products, soy, rice of
similar milk substitutes, or greater than fifty percent of vegetable or fruit juice by volume;"
On page 9, line 8, of the Introduced bill, remove the overstrikes from "(15)"
On page 9, line 8, of the Introduced bill, after "volume;
(15)" delete "(13)"
On page 9, line 11, of the Introduced bill, remove the overstrikes from "(16)"
On page 9, line 11, of the Introduced bill, after "business;
(16)" delete "(14)"
On page 9, line 15, of the Introduced bill, remove the overstrikes from "(17)"
On page 9, line 15, of the Introduced bill, after "and
(17)" delete "(15)"
On page 12, line 18, of the Introduced bill, delete " twelve and one-half cents" and insert "
one hundred twenty-six and one-half mills"

On page 12, line 20, of the Introduced bill, delete " twelve and one-half cents" and insert " one hundred twenty-six and one-half mills"

On page 13, line 5, of the Introduced bill, delete " Department of School and Public Lands" and insert " commissioner of school and public lands"

On page 13, line 7, of the Introduced bill, delete " The" and insert " Subject to the provisions of this section, the"

On page 13, line 8, of the Introduced bill, delete " two percent" and insert " the first sixty million dollars"

On page 13, line 12, of the Introduced bill, after "10-58." insert "

If two percent of the taxes collected pursuant to subdivisions (1) to (4), inclusive, exceed sixty million dollars in a year, the treasurer shall deposit in the fund two percent of the taxes collected pursuant to subdivisions (1) to (4), inclusive, in excess of sixty million dollars, but not in excess of ninety million dollars."

On page 13, line 17, of the Introduced bill, after "commissioner" delete " of the department"

On page 13, line 20, of the Introduced bill, delete " Department of School and Public Lands" and insert " commissioner of school and public lands"

On page 13, line 23, of the Introduced bill, delete " department" and insert " commissioner"

On page 13, line 24, of the Introduced bill, after "the" delete " department's"

On page 13, line 26, of the Introduced bill, delete " department" and insert " commissioner"

On page 13, line 31, of the Introduced bill, after "loan." delete "The department shall make available moneys from the school building construction fund, created in section 25 of this Act, as follows:

(1) Thirty percent for the construction or expansion of a school building in a school district that has four thousand or more students; and

(2) Seventy percent for the construction or expansion of a school building in all other school districts.

The amount of loans made in a year under this section must exceed sixty-million dollars and may not exceed ninety-million dollars.

"

On page 14, line 12, of the Introduced bill, after "§ 11-15-8;" insert " or"

On page 14, line 13, of the Introduced bill, after "-15-8;

(2)" delete "The municipality in which the district is headquartered is less than ten miles from a municipality in which another school district is headquartered; or

(3) "

On page 14, line 15, of the Introduced bill, delete " two hundred" and insert " one hundred fifty"

On page 14, line 22, of the Introduced bill, delete " Department of Education" and insert " department"

On page 14, line 24, of the Introduced bill, delete " Department of School and Public Lands" and insert " commissioner of school and public lands"

On page 15, line 2, of the Introduced bill, delete " Department of Education" and insert " department"

On page 15, line 13, of the Introduced bill, delete " Department of School and Public Lands" and insert " commissioner of school and public lands"

Moved by: Roe
Second by: Weems
Action: Prevailed by voice vote

MOTION: DEFER HB 1281 TO THE 41ST LEGISLATIVE DAY

Moved by: Mortenson
Second by: Weems

Action: Prevailed by Majority Members Elect (11-0-2-0)

Voting Yes: Jensen (Phil), Massie, Mortenson, Pourier, Randolph, Reimer, Roe, Weems, Weisgram, Hughes, and Aylward

Excused: Czmowski and Walburg

MOTION: ADJOURN

Moved by: Randolph

Second by: Jensen (Phil)

Action: Prevailed by voice vote

Leonard Chick, Committee Secretary

/s/ AARON AYLWARD
Aaron Aylward, Chair