



2026 South Dakota Legislature

House Bill 1193

HOUSE TAXATION ENGROSSED

Introduced by: **Representative Randolph**

1 **An Act to authorize that a county provide a refund of taxes to disabled veterans and**
 2 **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 may abate or refund the difference in taxes accumulated
 18 over a period not exceeding the previous four years, pursuant to chapter 10-18.

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

25 **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 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.