

SOUTH DAKOTA LEGISLATIVE RESEARCH COUNCIL

2026 South Dakota Legislature

FISCAL NOTE 2026-FN1259A

HB1259, An Act to require that the Department of Revenue provide for an online application for property tax relief programs.

HB1259 would require the Department of Revenue to maintain a webpage by which property owners could submit applications, along with any necessary supporting documents, such as a federal income tax return, for existing property tax relief programs. The department would be required to transmit the applications and supporting documents it receives online to the appropriate official in the applicant's county.

Online applications would be made available for the programs listed below. Currently, except for the property tax refund program, individuals must apply directly to their county for relief through these programs.

1. The reduction in property taxes on the owner-occupied property of certain paraplegics (SDCL [10-4-24.11](#));
2. The owner-occupied property assessment freeze for certain elderly and/or disabled individuals or their surviving, unremarried spouse (SDCL [10-6A](#));
3. The municipal property tax reduction for certain elderly and/or disabled individuals or their surviving, unremarried spouse (SDCL [10-6B](#));
4. The property tax homestead exemption for certain elderly individuals or their surviving, unremarried spouse (SDCL [10-6C](#));
5. The property tax refund for certain elderly and/or disabled individuals or their surviving, unremarried spouse (SDCL [10-18A](#)); and
6. The exemption of \$200,000 of the assessed value of the owner-occupied property of certain disabled veterans or their surviving, unremarried spouse (SDCL [10-4-40](#) and [10-4-41](#)).

Applications for programs 1-5 must be made annually. More information about each of the programs, along with links to digital copies of the application forms, may be found on [this webpage](#).

Implementation of HB1259 would entail a one-time cost to the state of between \$82,000 and \$144,000, due to an estimated 700 to 1,200 programming hours that would be required to create and test the webpage and application forms. The Bureau of Information and Technology (BIT) provided the estimate of the work hours required. Further administrative costs related to HB1259 could likely be absorbed in the department's ongoing budget.

BIT would recommend the use of ServiceNow software to securely manage the flow of documents between the department and counties. Each user within each county government would require a license, at an annual cost to the county of \$1,000 per license.

APPROVED BY: /s/ John McCullough
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