



2026 South Dakota Legislature

Senate Bill 245

HOUSE STATE AFFAIRS ENGROSSED

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: The Committee on State Affairs

1 **An Act to create the homeowner property tax reduction fund, and to transfer**
 2 **moneys to the homeowner property tax reduction fund.**

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

4 **Section 1. That a NEW SECTION be added to chapter 10-13:**

5 There is created in the state treasury the homeowner property tax reduction fund.

6 The Department of Revenue shall administer the fund. The purpose of the fund is
 7 to provide property tax relief for owner-occupied single-family dwellings. Moneys in the
 8 fund must be used to reduce the local effort for general education levies on owner-
 9 occupied single-family dwellings.

10 Interest on moneys credited to the fund must remain in the fund. Expenditures
 11 from the fund must be budgeted through the general appropriation bill.

12 Moneys in the fund may not be transferred to the general fund.

13 **Section 2. That a NEW SECTION be added to chapter 10-13:**

14 The treasurer shall deposit in the homeowner property tax reduction fund
 15 established in section 1 of this Act, the applicable percent of taxes collected on or after
 16 August 1, 2027, pursuant to:

17 (1) Chapter 10-45;

18 (2) Chapter 10-46;

19 (3) Chapter 10-46E; and

20 (4) Chapter 10-58.

21 For purposes of this section, "applicable percent" means three-tenths percent
 22 divided by the tax rate provided for the taxes referenced in subdivisions (1) to (4),
 23 inclusive, of this section, as applicable.

24 **Section 3. That § 10-46-48 be AMENDED:**

1 **10-46-48.** All revenue arising under the operation of this chapter shall
2 immediately be turned over to the state treasurer and by him credited to the general fund,
3 except as otherwise provided in section 2 of this Act.

4 **Section 4. That § 10-46E-9 be AMENDED:**

5 **10-46E-9.** The revenue from the tax imposed by this chapter shall be deposited
6 in the general fund, except as otherwise provided in section 2 of this Act.

7 **Section 5. That § 10-58-5 be AMENDED:**

8 **10-58-5.** The tax generated by this chapter must be deposited in the general fund,
9 except as otherwise provided in section 2 of this Act.

10 **Section 6.** On July 1, 2026, the state treasurer shall transfer \$55,896,576 from the general
11 revenue replacement fund to the homeowner property tax reduction fund.

12 **Section 7.** Sections 2 to 5, inclusive, of this Act are effective beginning July 1, 2027.