



2026 South Dakota Legislature

House Bill 1253

SENATE TAXATION ENGROSSED

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

Introduced by: **Representative** Odenbach

1 **An Act to adjust the assessment methodology for owner-occupied single-family**
 2 **dwellings and nonagricultural property.**

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

4 **Section 1. That § 10-6-101 be AMENDED:**

5 **10-6-101.** Terms used in this chapter mean:

6 (1) "Assessment year," the year in which real property is assessed, which immediately
 7 precedes the year in which property taxes are due and payable;

8 (2) "Department," the Department of Revenue;

9 ~~(2)~~(3) "Director," a county's director of equalization;

10 (4) "Prior assessment year," the assessment year immediately preceding the current
 11 assessment year;

12 ~~(3)~~(5) "Tract," "lot," "piece," or "parcel," any contiguous quantity of land that is possessed
 13 by, owned by, or recorded in the name of the same person.

14 **Section 2. That § 10-6-119 be AMENDED:**

15 **10-6-119.** The director shall individually assess each tract of real property at its
 16 fair market value, subject to the limitations provided in section 3 of this Act.

17 In determining the fair market value of property, the director may not adopt a
 18 lower or different standard of value because it is to serve as a basis of taxation. The
 19 director may not adopt as a criterion of value the price for which a tract of real property
 20 would sell at a forced sale, or in the aggregate with all other tracts of real property in the
 21 county. The director shall determine the fair market value by appropriate consideration of
 22 the cost approach, the market approach, and the income approach to appraisal. The
 23 director shall consider and document all elements of such approaches that are applicable
 24 prior to a determination of fair market value.

1 **Section 3. That a NEW SECTION be added to chapter 10-6:**

2 Except as otherwise provided in sections 4 to 6, inclusive, of this Act, for the 2027
3 assessment year and each assessment year thereafter, the director shall adjust the
4 assessed value of each property classified as an owner-occupied single-family dwelling or
5 nonagricultural property, pursuant to § 10-6-110, to equal the lesser of:
6 (1) The fair market value of the property, determined pursuant to § 10-6-119; or
7 (2) The assessed value of the property in the prior assessment year, increased by five
8 percent.

9 **Section 4. That a NEW SECTION be added to chapter 10-6:**

10 Notwithstanding section 3 of this Act, every fifth assessment year, the director
11 shall assess each owner-occupied single-family dwelling and nonagricultural property,
12 classified pursuant to § 10-6-110, at the property's fair market value determined pursuant
13 to § 10-6-119.

14 **Section 5. That a NEW SECTION be added to chapter 10-6:**

15 The provisions of section 3 of this Act do not apply to assessed value derived solely
16 from the new construction of, reconstruction of, improvements to, or additions to, real
17 property for the first assessment since the new construction, reconstruction,
18 improvement, or addition was made.

19 **Section 6. That a NEW SECTION be added to chapter 10-6:**

20 The provisions of section 3 of this Act do not apply to property assessed under
21 chapters 10-28 to 10-38, inclusive.

22 **Section 7. That § 10-6-124 be AMENDED:**

23 **10-6-124.** The secretary of ~~revenue~~ the department may promulgate rules
24 pursuant to chapter 1-26 concerning the:

- 25 (1) Collection and tabulation of information required to determine median appraisal or
26 sales assessment ratio, and coefficient of dispersion;
27 (2) Criteria to be included in a compliance audit of assessment practices;
28 (3) Conditions under which a certificate of compliance may be issued to a county;
29 (4) Procedures for determining the valuation of agricultural buildings and structures;

- 1 (5) Procedures for determining the valuation of dwellings on agricultural land and
2 automobile garages or portions of buildings used as automobile garages;
3 (6) Application of cropland and noncropland income values;
4 (7) Application of soil classification standards; ~~and~~
5 (8) Procedures for making adjustments to the value of agricultural land pursuant to
6 §§ 10-6-127 to 10-6-132, inclusive; and
7 (9) Adjustment to the assessed value of property pursuant to sections 3 to 6, inclusive,
8 of this Act.

9 Before the secretary promulgates any rules pursuant to subdivision (4) to (8),
10 inclusive, the secretary shall present the proposed rules to the Agricultural Land
11 Assessment Implementation and Oversight Advisory Task Force established pursuant to
12 § 10-6-134.