



2026 South Dakota Legislature  
**Senate Bill 245**  
**ENROLLED**

AN ACT

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

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

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

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

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

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

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

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

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

- (1) Chapter 10-45;
- (2) Chapter 10-46;
- (3) Chapter 10-46E; and
- (4) Chapter 10-58.

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

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

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

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

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

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

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

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

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

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

\_\_\_\_\_  
I certify that the attached Act originated in  
the:  
Senate as Bill No. 245

\_\_\_\_\_  
Received at this Executive Office  
this \_\_\_\_ day of \_\_\_\_\_,  
2026 at \_\_\_\_\_ M.

\_\_\_\_\_  
Secretary of the Senate

By \_\_\_\_\_  
for the Governor

\_\_\_\_\_  
President of the Senate

The attached Act is hereby  
approved this \_\_\_\_ day of  
\_\_\_\_\_, A.D., 2026

Attest:

\_\_\_\_\_  
Secretary of the Senate

\_\_\_\_\_  
Governor

**STATE OF SOUTH DAKOTA,**

ss.

Office of the Secretary of State

\_\_\_\_\_  
Speaker of the House

Attest:

Filed \_\_\_\_\_, 2026  
at \_\_\_\_\_ o'clock \_\_ M.

\_\_\_\_\_  
Chief Clerk of the House

\_\_\_\_\_  
Secretary of State

Senate Bill No. 245  
File No. \_\_\_\_\_  
Chapter No. \_\_\_\_\_

By \_\_\_\_\_  
Asst. Secretary of State