



2020 South Dakota Legislature

House Bill 1259

Introduced by: **Representative Chaffee**

1 **An Act to revise provisions regarding the discretionary formula for determining the**
 2 **assessed value of property for tax purposes.**

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

4 **Section 1.** That § 10-6-35.2 be AMENDED:

5 **10-6-35.2. Discretionary formula for reduced taxation of new structures and**
 6 **additions--Partially constructed structures.**

7 Any structure classified pursuant to § 10-6-35.1, 10-6-35.21, 10-6-35.22, 10-6-
 8 35.24, 10-6-35.25, or 10-6-35.26, shall, following construction, be valued for taxation
 9 purposes in the usual manner. However, the board of county commissioners of the county
 10 where the structure is located, may adopt any formula for assessed value to be used for
 11 tax purposes. The formula may include for any or all of the five tax years following
 12 construction all, any portion or none of the assessed valuation for tax purposes. Any
 13 formula adopted shall be equally applied to specifically classified structures within a tax
 14 increment finance district. The board of county commissioners of the county where the
 15 structure is located may, if requested by the owner of the structure, not apply the
 16 discretionary formula and the full assessment shall be made without application of the
 17 formula. In waiving the formula for the structure of one owner, the board of county
 18 commissioners is not prohibited from applying the formula for subsequent new structures.
 19 The assessed valuation during any of the five years may not be less than the assessed
 20 valuation of the property in the year preceding the first year of the tax years following
 21 construction.

22 Any structure that is partially constructed on the assessment date may be valued for
 23 tax purposes pursuant to this section and the valuation may not be less than the assessed
 24 valuation of the property in the year preceding the beginning of construction. During any
 25 period that the property is valued for tax purposes under this section, the period may
 26 include the years when the property is partially constructed.

1 Following the five-year period under this section, the property shall be assessed at the
2 same percentage as is all other property for tax purposes.

3 Any of the following new structures, additions, or renovations to an existing structure,
4 which has a full and true value of thirty thousand dollars or more, added to real property
5 may be specifically classified for the purpose of taxation:

6 (1) Any industrial structure located within a designated urban renewal area as defined
7 in § 11-8-4;

8 (2) Any power generation facility;

9 (3) Any nonresidential agricultural structure;

10 (4) Any commercial structure, except a commercial residential structure;

11 (5) Any commercial residential structure. For purposes of this section, a commercial
12 residential structure shall contain four or more units; or

13 (6) Any affordable housing structure, which structure or addition has a true and full
14 value of thirty thousand dollars or more. For purposes of this section, a new
15 affordable housing structure shall contain four or more units.