

# State of South Dakota

SEVENTY-SECOND SESSION  
LEGISLATIVE ASSEMBLY, 1997

645A0004

## HOUSE BILL NO. 1010

Introduced by: Representatives Jorgensen, Brown (Richard), Chicoine, and Gabriel and  
Senators Paisley and Kloucek at the request of the Interim Taxation Study  
Committee

1 FOR AN ACT ENTITLED, An Act to revise the definitions of real and personal property.

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

3 Section 1. That § 10-4-2 be amended to read as follows:

4 10-4-2. Real property, for the purposes of ad valorem taxation, includes ~~the land itself,~~  
5 ~~whether laid out in town lots or otherwise, and improvements to the land, such as ditching,~~  
6 ~~surfacing and leveling, and all rights and privileges thereto belonging, and all mines, minerals and~~  
7 ~~quarries in and under the same. Real property also includes all buildings, structures and mobile~~  
8 ~~homes, as defined in subdivision 32-3-1(8) which are permanently affixed by foundation to the~~  
9 ~~land upon which they are located, including systems for the heating, air conditioning, ventilation,~~  
10 ~~sanitation, lighting, and plumbing of such structures, buildings and mobile homes, and all rights~~  
11 ~~and privileges thereto belonging, and trees. Real property does not include items which pertain~~  
12 ~~to the use of such structures, buildings and mobile homes, such as tools, implements, machinery~~  
13 ~~or equipment used in the business, production, trade or manufacturing activity conducted thereon~~  
14 ~~which are not constructed as an integral part of and are not essential for the support of such~~

1 ~~structures, buildings or mobile homes, and which are removable without materially limiting or~~  
2 ~~restricting the use of such structures, buildings or mobile homes, regardless of size, weight or~~  
3 ~~method of attachment;~~

4     (1) Land and all rights and privileges thereto belonging;

5     (2) Improvements to land and all rights and privileges thereto belonging, consisting of  
6     items permanently affixed to and becoming part of the real estate. The term,  
7     permanently affixed, refers to the economic life of the improvement rather than  
8     perpetuity;

9     (3) Mines, minerals, and quarries;

10    (4) Buildings and structures which are on foundations, and improvements to buildings and  
11    structures including any heating system, air conditioning, ventilation, sanitation,  
12    lighting, or plumbing which is part of the building or structure; and

13    (5) Mobile homes as defined in subdivision 32-3-1(8) which are on foundations.

14    For assessment purposes, a structure is anything constructed or erected from an assembly  
15    of materials, which requires a permanent location on or in the ground.

16    For assessment purposes, a building is a structure designed to stand permanently and cover  
17    a space of land which is enclosed by walls and is covered with a roof.

18    Section 2. That § 10-4-2.2 be amended to read as follows:

19    10-4-2.2. Personal property for the purpose of ad valorem taxation ~~shall include~~ is all  
20    property ~~that~~ is not included within the definition of real property. Tools, implements, machinery,  
21    or equipment used in the business, production, trade, processing, or manufacturing activities are  
22    personal property.