

State of South Dakota

SEVENTY-THIRD SESSION
LEGISLATIVE ASSEMBLY, 1998

418B0293

HOUSE BILL NO. 1233

Introduced by: Representatives Jorgensen, Apa, Barker, Brown (Gary), Brown (Richard),
Cutler, Fiegen, Jaspers, Kazmerzak, Koskan, McNenny, Moore, Napoli,
Peterson (Bill), and Waltman and Senators Dunn (Jim), Brosz, Brown (Arnold),
Daugaard, Everist, Flowers, Frederick, Lange, Olson, Paisley, and Shoener

1 FOR AN ACT ENTITLED, An Act to repeal certain provisions regarding the classification of
2 agricultural land.

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

4 Section 1. That § 10-6-58 be repealed.

5 ~~—10-6-58. Any agricultural land, as defined in § 10-6-31.3, which sells for more than one~~
6 ~~hundred fifty percent of its agricultural income value is hereby classified for purposes of ad~~
7 ~~valorem taxation. The agricultural income value shall be determined pursuant to § 10-6-62.~~

8 Section 2. That § 10-6-59 be repealed.

9 ~~—10-6-59. Any land which is classified pursuant to § 10-6-58 shall remain so classified for a~~
10 ~~minimum of five years. Five years after such land is so classified, such land may be reclassified~~
11 ~~as agricultural if the land remains in agricultural use during the five year period and if the owner~~
12 ~~of the land submits an annual application to the director of equalization. The application shall~~
13 ~~include verified documentation that the land has been in agricultural use during such year. If the~~
14 ~~land meets the criteria set forth in § 10-6-31.3, has been in agricultural use for five years and the~~

1 ~~application requirement in this section is complied with, the director of equalization may~~
2 ~~reclassify such land as agricultural and value such land in the same manner as other agricultural~~
3 ~~land.~~

4 Section 3. That § 10-6-60 be repealed.

5 ~~—10-6-60. Land classified pursuant to § 10-6-58 shall be valued for ad valorem tax purposes~~
6 ~~at the price for which such land sold multiplied times the level of assessment for agricultural land~~
7 ~~within the county. The value of such land shall be increased or decreased each year by the same~~
8 ~~percentage that the average per acre value of agricultural land increases or decreases.~~

9 Section 4. That § 10-6-61 be repealed.

10 ~~—10-6-61. Land classified pursuant to § 10-6-58 shall be taxed as agricultural land.~~

11 Section 5. That § 10-6-62 be repealed.

12 ~~—10-6-62. For the purposes of § 10-6-58, the agricultural income value shall be determined~~
13 ~~using capitalized actual annual cash rent. The actual annual cash rent is the actual annual cash~~
14 ~~rent, excluding the actual agricultural land per acre tax on such land, determined through an~~
15 ~~analysis of actual arm's length rental agreements collected within the county in the year prior to~~
16 ~~the year for which the income value is being determined, for comparable agricultural land used~~
17 ~~for agricultural purposes and located in the vicinity, if practicable, of the land for which an~~
18 ~~agricultural income value is being determined. The annual cash rent shall be capitalized at eight~~
19 ~~percent.~~

20 Section 6. That § 10-6-63 be repealed.

21 ~~—10-6-63. The secretary of revenue shall enter into a contract for the collection of cash rent~~
22 ~~information by county. The secretary of revenue shall promulgate rules pursuant to chapter 1-26:~~

23 ~~—(1)—To collect and analyze cash rent information;~~

24 ~~—(2)—To define comparable land pursuant to § 10-6-64; and~~

25 ~~—(3)—Such other rules as may be necessary to administer §§ 10-6-58 to 10-6-67, inclusive.~~

1 ~~—Cash rent information shall be adjusted by soil survey statistics if available.~~

2 Section 7. That § 10-6-64 be repealed.

3 ~~—10-6-64. For the purpose of valuing agricultural land, if there are less than fifteen sales of~~
4 ~~agricultural land within a county, the director of equalization shall use sales of agricultural land~~
5 ~~within the county from previous years or sales of comparable agricultural land within adjoining~~
6 ~~counties. No sale of agricultural land from previous years or adjoining counties may be used if~~
7 ~~such sale would have been classified pursuant to § 10-6-58 had § 10-6-58 been in effect when~~
8 ~~such sale occurred.~~

9 Section 8. That § 10-6-65 be repealed.

10 ~~—10-6-65. No sale of land may be used to establish the 1994 assessed value for agricultural~~
11 ~~land if such land would have been classified pursuant to § 10-6-58 had § 10-6-58 been in effect~~
12 ~~when such sale occurred.~~