

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

870H0012

HOUSE BILL NO. 1247

Introduced by: Representatives Rhoden, Jensen, Lintz, and Pederson (Gordon) and Senator Vitter

1 FOR AN ACT ENTITLED, An Act to require payment of certain property taxes if agricultural
2 land is changed to another classification of property.

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

4 Section 1. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as
5 follows:

6 The director of equalization shall assess agricultural land based on its agricultural income
7 value and the land's fair market value based on its use for nonagricultural purposes. The fair
8 market value of the land based on its use for nonagricultural purposes is its deferred taxable
9 value. The assessor shall maintain a record of the deferred taxable value until the agricultural
10 land's use is changed to another classification of property. After the land's classification has
11 changed, the director of equalization shall provide the deferred taxable value for the previous
12 three years to the county auditor. The county auditor shall calculate the total amount of property
13 tax due during that period by applying the property tax levies for the previous three years to the
14 deferred taxable value for each respective year. The owner shall receive credit for the property
15 taxes paid based on its assessed value as agricultural land. The owner of the property at the time



1 the change in property classification occurs shall pay to the county treasurer the difference
2 between the deferred property taxes and the credit received for the taxes paid.

3 Section 2. That chapter 10-21 be amended by adding thereto a NEW SECTION to read as
4 follows:

5 Property taxes which the county defers pursuant to this Act shall become a lien on the
6 property for which the taxes are deferred. The county shall file a copy of the lien with the register
7 of deeds. No property on which the county deferred payment of property taxes may be
8 transferred unless the property taxes are paid in full.

9 Section 3. That chapter 10-21 be amended by adding thereto a NEW SECTION to read as
10 follows:

11 The owner of the property may appeal the deferred taxable value of the property in the same
12 manner as other property values are appealed.

13 Section 4. That chapter 10-21 be amended by adding thereto a NEW SECTION to read as
14 follows:

15 Any revenue received by the county from the payment of deferred property taxes shall be
16 offset by a corresponding decrease in revenue payable from taxes on real property that the
17 county levies for its next budget. However, the payment of deferred property taxes shall be
18 considered in the total amount of revenue payable from taxes on real property for the purposes
19 of § 10-13-35.

20 Section 5. This Act is effective on July 1, 2004.