

## AN ACT

ENTITLED, An Act to revise certain real property taxes for small renewable energy facilities.

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

Section 1. For purposes of this Act, a renewable resource is a resource that generates electricity or energy from facilities using one or more of the following sources:

- (1) Wind that uses wind as the source of energy to produce electricity;
- (2) Solar that uses the sun as the source of energy to produce electricity or energy;
- (3) Hydroelectric that uses water as the source of energy to produce electricity;
- (4) Hydrogen that is generated from one of the sources listed in this section;
- (5) Biomass that uses agricultural crops and agricultural wastes and residues, wood and wood wastes and residues, animal and other degradable organic wastes, municipal solid waste, or landfill gas as the fuel to produce electricity; or
- (6) Geothermal that uses energy contained in heat that continuously flows outward from the earth as the source of energy to produce electricity or energy.

Section 2. For purposes of this Act, a renewable energy facility is a facility that uses a renewable resource as its energy source for the purpose of producing electricity or energy.

Section 3. For renewable energy facilities with less than five megawatts of nameplate capacity, all real property used or constructed for the purpose of producing electricity using a renewable resource as an energy source is classified for tax purposes as renewable energy property and shall be assessed and taxed in the same manner as other real property and shall be locally assessed by the county director of equalization pursuant to § 10-3-16. For the purposes of this Act, the first fifty thousand dollars of the assessed value of the renewable energy property or seventy percent of the assessed value of the renewable energy property, whichever is greater, is exempt from the real property tax. However, for geothermal renewable energy facilities that produce energy, but not

electricity, this exemption is limited to the first four continuous years for residential geothermal renewable energy facilities and the first three continuous years for commercial geothermal renewable energy facilities.

Section 4. Renewable energy property is not subject to any discretionary formulas authorized by Title 10.

Section 5. That § 10-4-36 be repealed.

Section 6. That § 10-4-37 be repealed.

Section 7. That § 10-4-38 be repealed.

Section 8. That § 10-6-35.8 be repealed.

Section 9. That § 10-6-35.9 be repealed.

Section 10. That § 10-6-35.10 be repealed.

Section 11. That § 10-6-35.11 be repealed.

Section 12. That § 10-6-35.12 be repealed.

Section 13. That § 10-6-35.13 be repealed.

Section 14. That § 10-6-35.14 be repealed.

Section 15. That § 10-6-35.15 be repealed.

Section 16. That § 10-6-35.16 be repealed.

Section 17. That § 10-6-35.17 be repealed.

Section 18. That § 10-6-35.18 be repealed.

An Act to revise certain real property taxes for small renewable energy facilities.

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I certify that the attached Act  
originated in the

SENATE as Bill No. 58

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

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

Attest:

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

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

Attest:

\_\_\_\_\_  
Chief Clerk

Senate Bill No. 58

File No. \_\_\_\_\_

Chapter No. \_\_\_\_\_

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Received at this Executive Office  
this \_\_\_\_\_ day of \_\_\_\_\_ ,

20\_\_\_\_ at \_\_\_\_\_ M.

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

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The attached Act is hereby  
approved this \_\_\_\_\_ day of  
\_\_\_\_\_, A.D., 20\_\_\_\_

\_\_\_\_\_  
Governor

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STATE OF SOUTH DAKOTA,  
ss.

Office of the Secretary of State

Filed \_\_\_\_\_, 20\_\_\_\_  
at \_\_\_\_\_ o'clock \_\_ M.

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

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