

AN ACT

ENTITLED, An Act to provide for specific classification of affordable housing structures for purposes of taxation.

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

Section 1. That chapter 10-6 be amended by adding a NEW SECTION to read:

Any new affordable housing structure is specifically classified for the purposes of taxation. For purposes of this section a new affordable housing structure shall contain four or more units and the monthly rental rate of the units will be at or below the annually calculated rent for the state's sixty percent area median income being used by the South Dakota Housing Development Authority, for a minimum of ten years following the date of first occupancy.

Section 2. That § 10-6-35.2 be amended to read:

10-6-35.2. Any structure classified pursuant to § 10-6-35.1, 10-6-35.21, 10-6-35.22, 10-6-35.24, 10-6-35.25, or section 1 of this Act, shall, following construction, be valued for taxation purposes in the usual manner. However, the board of county commissioners of the county where the structure is located, may adopt any formula for assessed value to be used for tax purposes. The formula may include for any or all of the five tax years following construction all, any portion or none of the assessed valuation for tax purposes. The board of county commissioners of the county where the structure is located may, if requested by the owner of the structure, not apply the discretionary formula and the full assessment shall be made without application of the formula. In waiving the formula for the structure of one owner, the board of county commissioners is not prohibited from applying the formula for subsequent new structures. The assessed valuation during any of the five years may not be less than the assessed valuation of the property in the year preceding the first year of the tax years following construction.

Any structure that is partially constructed on the assessment date may be valued for tax purposes

pursuant to this section and the valuation may not be less than the assessed valuation of the property in the year preceding the beginning of construction. During any period that the property is valued for tax purposes under this section, the period may include the years when the property is partially constructed.

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

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I certify that the attached Act originated in the

HOUSE as Bill No. 1084

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

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

Attest:

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

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

Attest:

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

House Bill No. 1084  
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