

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

843H0688

SENATE BILL NO. 178

Introduced by: Senators de Hueck, Greenfield, and Symens and Representatives Garnos,
Madsen, and Van Gerpen

1 FOR AN ACT ENTITLED, An Act to revise the procedure for assessing certain agricultural
2 land.

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 If agricultural land has been permanently removed from crop production and is permanently
7 not farmable as a result of a contractual arrangement with the federal or state government for
8 the express purpose of wildlife habitat and production, the landowner may apply to the director
9 of equalization to specially assess the land for the purpose of taxation. The landowner shall
10 describe on an application the legal description of the affected agricultural land.

11 Section 2. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as
12 follows:

13 If an application is submitted pursuant to section 1 of this Act, the director of equalization
14 shall use the noncrop soils rating classification pursuant to §§ 10-6-33.2 and 10-6-33.7 to
15 determine the assessed value of the agricultural land that has been permanently removed from



1 crop production and is permanently not farmable as provided in section 1 of this Act.

2 Section 3. That § 10-6-33.2 be amended to read as follows:

3 10-6-33.2. Capacity of land in agricultural use to produce agricultural products shall be based
4 on average yields under natural conditions, ~~in the case of~~ for land producing crops or plants; and
5 on the average "acres per animal unit," ~~in the case of grazing for noncrop land; said.~~ The average
6 shall affect each operating unit and shall be based, to the extent possible, on the ten-year period
7 immediately preceding the tax year in issue. In determining such the capacity to produce, the
8 county director of equalization and/or and the county board of equalization must take into
9 consideration may consider yields, and/or and carrying capacity, as determined by the soil
10 conservation service, the agricultural stabilization and conservation service, the extension
11 service, federal land bank, the Department of Revenue, and private lending agencies dealing with
12 land production capacities.

13 Section 4. That § 10-6-33.15 be amended to read as follows:

14 10-6-33.15. For the purposes of § 10-6-33.14, the agricultural income value shall be
15 determined using capitalized actual annual cash rent. The actual annual cash rent is the actual
16 annual cash rent, ~~excluding the actual per acre tax on agricultural land;~~ determined through an
17 analysis of actual arm's length rental agreements collected within the county in the year prior to
18 the year for which the income value is being determined. The actual cash rent shall include the
19 per acre tax on agricultural land if such tax is the responsibility of the lessee, is an express
20 provision of the rental agreement, and is paid by the lessee in addition to the actual rental
21 income. The annual cash rent shall be capitalized at eight percent.

22 Section 5. That § 10-6-33.16 be amended to read as follows:

23 10-6-33.16. The secretary of revenue may enter into a contract for the collection of cash rent
24 information by county for the purpose of § 10-6-33.15. The secretary of revenue shall make such

- 1 information available for use by any county director of equalization. Cash rent information shall
- 2 be adjusted by soil survey statistics if available.