

State of South Dakota

SEVENTY-SEVENTH SESSION
LEGISLATIVE ASSEMBLY, 2002

843H0688

SENATE TAXATION COMMITTEE ENGROSSED NO.

SB 178 - 02/06/2002

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 § 10-6-33.2 be amended to read as follows:

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



1 Section 2. That § 10-6-33.15 be amended to read as follows:

2 10-6-33.15. For the purposes of § 10-6-33.14, the agricultural income value shall be
3 determined using capitalized actual annual cash rent. The actual annual cash rent is the actual
4 annual cash rent, ~~excluding the actual per acre tax on agricultural land,~~ determined through an
5 analysis of actual arm's length rental agreements collected within the county in the year prior to
6 the year for which the income value is being determined. The actual cash rent shall include the
7 per acre tax on agricultural land if such tax is the responsibility of the lessee, is an express
8 provision of the rental agreement, and is paid by the lessee in addition to the actual rental
9 income. The annual cash rent shall be capitalized at eight percent.

10 Section 3. That § 10-6-33.16 be amended to read as follows:

11 10-6-33.16. The secretary of revenue may enter into a contract for the collection of cash rent
12 information by county for the purpose of § 10-6-33.15. The secretary of revenue shall make such
13 information available for use by any county director of equalization. Cash rent information shall
14 be adjusted by soil survey statistics if available.