

State of South Dakota

EIGHTY-FIRST SESSION
LEGISLATIVE ASSEMBLY, 2006

474M0400

SENATE TAXATION COMMITTEE ENGROSSED NO.

HB 1128 - 02/22/2006

This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.

Introduced by: Representatives Turbiville, Cutler, Deadrick, Elliott, Faehn, Frost, Gassman, Glenski, Haley, Halverson, Heineman, Hennies, Hills, Howie, Hunt, Jensen, Kraus, Krebs, Kroger, Lange, McCoy, McLaughlin, Miles, Murschel, O'Brien, Olson (Ryan), Pederson (Gordon), Rausch, Roberts, Rounds, Schafer, Sebert, Sigdestad, Street, Thompson, Tidemann, Valandra, Van Etten, Vehle, Weems, Wick, and Willadsen and Senators Hansen (Tom), Abdallah, Adelstein, Bartling, Dempster, Duniphan, Gray, Kelly, Knudson, Lintz, McCracken, Nesselhuf, Olson (Ed), Schoenbeck, Smidt, and Sutton (Dan)

1 FOR AN ACT ENTITLED, An Act to revise certain provisions concerning the valuation of
2 agricultural land for ad valorem taxation.

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

4 Section 1. That § 10-6-33.25 be amended to read as follows:

5 10-6-33.25. For the purposes of § 10-6-33.24, the agricultural income value shall be
6 determined using capitalized annual cash rent. The annual cash rent is the annual cash rent,
7 excluding the per acre tax on agricultural land, determined through an analysis of arms-length
8 rental agreements collected within the county in the ~~three years~~ year prior to the year for which
9 the agricultural income value is being determined. ~~The agricultural income value of cropland~~
10 ~~shall be based on average rents over a three-year period for cropland under natural conditions.~~
11 ~~The agricultural income value of noncropland shall be based on average rents over a three-year~~



1 ~~period for noncropland under natural conditions.~~ However, no arms-length rental agreements
2 for irrigated land may be used to determine the annual cash rent pursuant to this section. The
3 annual cash rent shall be capitalized at seven and three-fourths percent.

4 The secretary of revenue and regulation may enter into a contract for the collection of cash
5 rent information by county. Cash rent information shall be adjusted by soil survey statistics, if
6 available, and pursuant to § 10-6-33.26.