



2020 South Dakota Legislature

House Bill 1007

HOUSE TAXATION ENGROSSED

Introduced by: **Representatives** Chaffee, Lesmeister, McCleerey, and Qualm and **Senators** Cammack, Kennedy, and Lake at the request of the Agricultural Land Assessment Implementation and Oversight Advisory Task Force

1 **An Act to require certain adjustments to the assessed value of agricultural land if**
 2 **factors impact the land's productivity and to require those adjustments to be**
 3 **documented.**

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

5 **Section 1.** That § 10-6-33.31 be AMENDED:

6 **10-6-33.31. Agricultural income value for county--Adjustment of assessed**
 7 **value by director of equalization.**

8 Before July first each year, the secretary of revenue shall annually provide each
 9 director of equalization the agricultural income value for each county as computed
 10 pursuant to § 10-6-33.28. The director of equalization shall annually determine the
 11 assessed value of agricultural land. The assessed value of agricultural land may be
 12 adjusted by the director of equalization to the extent the following factors ~~affecting~~ affect
 13 the productivity of the land:

- 14 (1) The capacity of the land to produce agricultural products as defined in § 10-6-33.2;
 15 and
- 16 (2) ~~The location, size, soil~~ One or more of the following factors:
 - 17 (a) Location;
 - 18 (b) Size;
 - 19 (c) Soil survey statistics, terrain, and topographical;
 - 20 (d) Terrain;
 - 21 (e) Topographical condition ~~of the land including the climate, accessibility, and~~
 22 surface;
 - 23 (f) Climate;
 - 24 (g) Accessibility; or
 - 25 (h) Surface obstructions.

1 Each adjustment shall be documented. The director of equalization~~may~~ shall
2 document an adjustment by using data from sources reasonably related to the adjustment
3 being made. In addition, the director of equalization may use data from comparable sales
4 of agricultural land to document the adjustment concerning productivity for any of the
5 factors listed in this section.

6 If the actual use of agricultural land varies from the land use category specified by soil
7 classification standards, or if any factors listed in subdivision (2) exist that affect the
8 productivity of the land, the property owner may request an examination of the land by
9 the director of equalization on a form prescribed by the department. The director of
10 equalization shall ~~make a determination of~~ determine whether to adjust the assessed value
11 of the agricultural land pursuant to the factors listed in subdivision (2).

12 The director of equalization shall document all supporting evidence for the adjustment
13 determination. The director of equalization shall provide any adjustment documentation
14 to the department upon request. The adjustment documentation must be kept in the
15 director of equalization's office for the life of the adjustment.