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**MARTY J. JACKLEY**  
ATTORNEY GENERAL

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OCT 21 2024

**SD Secretary of State**

**BRENT K. KEMPEMA**  
CHIEF DEPUTY

October 21, 2024

Honorable Monae L. Johnson  
Secretary of State  
500 E. Capitol  
Pierre, SD 57501

RE: Draft Attorney General's Statement (Proposed Initiated Measure Limiting Annual Property Tax Assessment Increases for Owner-Occupied Single-Family Dwelling and Non-Agricultural Property)

Dear Secretary Johnson,

Enclosed is a copy of a proposed Initiated Measure, in final form, that the sponsor submitted to this Office. In accordance with state law, I hereby file the enclosed *draft* Attorney General's Statement for the purposes of receiving public comment on the same.

By copy of this letter, I am providing a copy of the *draft* Statement to the sponsor.

Very truly yours,

A handwritten signature in blue ink, appearing to read "M. Jackley".

Marty J. Jackley  
ATTORNEY GENERAL

MJJ/dd  
Enc.

Cc/encl: Joe Hurley  
John McCullough – Legislative Research Council

Filed this 21<sup>st</sup> day of

October 2024

A handwritten signature in blue ink, appearing to read "Monae L. Johnson".

**SECRETARY OF STATE**

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INITIATED MEASURE

DRAFT ATTORNEY GENERAL'S STATEMENT

Title: An Initiated Measure Limiting Annual Property Tax Assessment Increases for Nonagricultural Property

Explanation:

South Dakota law currently requires an annual assessment of the value of real property to determine the property taxes assessed to the owner.

This initiated measure limits annual property tax assessment increases on all nonagricultural property to no more than 2.25% of a base amount starting with the year 2027 assessment. The measure does not apply to agricultural property.

The base amount is calculated as if the valuation of the property occurred on November 1, 2020, and adding annual assessment increases of no more than 2.25% for years 2021-2026. If a structure or addition was added to the property, the base amount is the value of the property on November 1, 2020, with the structure or addition. Annual increases of no more than 2.25% from the date of completion of the structure or addition through 2026 are then added.

After 2027, the fair market value of the property may be further increased to account for a change in use or classification of the property or for any addition to or expansion of the property.

If a property transfers ownership, the property retains the assessed value that existed at the time of the ownership change.

Filed this 21<sup>st</sup> day of  
October 2024

*Monae L. Johnson*

SECRETARY OF STATE



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BE IT ENACTED BY THE PEOPLE OF SOUTH DAKOTA:

**Section 1. That chapter 10-6 be amended with a NEW SECTION:**

For purposes of this section, the term "base amount" means:

- (1) The fair market value of any owner-occupied single-family dwelling and nonagricultural property on November 1, 2020, increased by no more than two and a quarter percent annually for each assessment required by § 10-6-105 that was completed in 2021 to 2026, inclusive; and
- (2) For any owner-occupied single-family dwelling, and nonagricultural property where a new structure or addition was added between 2021 to 2026, inclusive, the fair market value of the property, taking into account the new structure or addition, as if the valuation occurred on November 1, 2020, increased by no more than two and a quarter percent annually from the date of completion of the new structure or addition to assessment year 2026, inclusive.

For purposes of the annual assessment required by § 10-6-105, the assessed value of an owner-occupied single-family dwelling and nonagricultural property may not increase more than two and a quarter percent annually, from the base amount beginning with assessment year 2027 and each assessment year thereafter.

If a change in ownership of an owner-occupied single-family dwelling or nonagricultural property occurs, the property retains the same assessed value as existed with the prior owner at the time the change in ownership occurred.

In assessment year 2027 and thereafter, the assessed value of any owner-occupied single-family dwelling and nonagricultural property may be further increased if there is a change in the use or classification of the property or to account for any addition or expansion to the property.

**Section 2. That § 10-6-105 be AMENDED:**

**10-6-105.** All real property subject to taxation must be listed and assessed annually, but the value of the property is to be determined according to its value on the first day of November preceding the assessment, subject to the value limitations provided in section 1 of this Act.

Filed this 21<sup>st</sup> day of  
October 2024

*Monae L. Johnson*

SECRETARY OF STATE