

# State of South Dakota

NINETY-FOURTH SESSION  
LEGISLATIVE ASSEMBLY, 2019

694B0619

HOUSE COMMERCE AND ENERGY

ENGROSSED NO. **HB 1084** - 2/22/2019

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

Introduced by: Representatives Beal, Goodwin, Gosch, Hansen, Karr, Marty, and Qualm and Senators Bolin, Cammack, Langer, and Otten (Ernie)

1 FOR AN ACT ENTITLED, An Act to provide for specific classification of affordable housing  
2 structures for purposes of taxation.

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

4 Section 1. That chapter 10-6 be amended by adding a NEW SECTION to read:

5 Any new affordable housing structure is specifically classified for the purposes of taxation.

6 For purposes of this section a new affordable housing structure shall contain four or more units

7 and the monthly rental rate of the units will be at or below the annually calculated rent for the

8 state's sixty percent area median income being used by the South Dakota Housing Development

9 Authority, for a minimum of fifteen years following the date of first occupancy.

10 Section 2. That § 10-6-35.2 be amended to read:

11 10-6-35.2. Any structure classified pursuant to § 10-6-35.1, 10-6-35.21, 10-6-35.22, 10-6-

12 35.24, ~~or 10-6-35.25~~, or section 1 of this Act, shall, following construction, be valued for

13 taxation purposes in the usual manner. However, the board of county commissioners of the

14 county where the structure is located, may adopt any formula for assessed value to be used for



1 tax purposes. The formula may include for any or all of the five tax years following construction  
2 all, any portion or none of the assessed valuation for tax purposes. The board of county  
3 commissioners of the county where the structure is located may, if requested by the owner of  
4 the structure, not apply the discretionary formula and the full assessment shall be made without  
5 application of the formula. In waiving the formula for the structure of one owner, the board of  
6 county commissioners is not prohibited from applying the formula for subsequent new  
7 structures. The assessed valuation during any of the five years may not be less than the assessed  
8 valuation of the property in the year preceding the first year of the tax years following  
9 construction.

10 Any structure that is partially constructed on the assessment date may be valued for tax  
11 purposes pursuant to this section and the valuation may not be less than the assessed valuation  
12 of the property in the year preceding the beginning of construction. During any period ~~of time~~  
13 that the property is valued for tax purposes ~~pursuant to~~ under this section, the period ~~of time~~  
14 may include the years when the property is partially constructed.

15 ~~Thereafter~~ Following the five-year period under this section, the property shall be assessed  
16 at the same percentage as is all other property for tax purposes.