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## 2024 South Dakota Legislature

## **Senate Bill 167**

Introduced by: **Senator** Kolbeck (Jack)

An Act to limit annual valuation increases on owner-occupied single-family dwellings.

- BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:
- 4 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 on November 1, 2020, increased by no more than three percent annually for each assessment required by § 10-6-105 that was completed in 2021, 2022, and 2023;
- Where a change in ownership of an owner-occupied single-family dwelling has occurred between November 2, 2020, and October 31, 2024, inclusive, the fair market value of the property on the date of transfer or purchase increased by no more than three percent annually for any assessment required by § 10-6-105, that was completed after the transfer or purchase in any year between 2021 and 2023, inclusive; or
- (3) Where a change in ownership of an owner-occupied single-family dwelling occurs on November 1, 2024, or later, the fair market value of the property.

For purposes of the annual assessment required by § 10-6-105, the assessed value of an owner-occupied single-family dwelling may not increase more than three percent annually from the base amount beginning with assessment year 2024 and each assessment year thereafter.

When a change in ownership of an owner-occupied single-family dwelling occurs, the property must be reassessed to determine the property's base amount. When an owner-occupied single-family dwelling is sold between a willing seller and a willing buyer with no coercion or advantage taken by either party, the property's base amount may not exceed the sales price of the property.

The base amount of any owner-occupied single-family dwelling 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—shall must be listed and assessed annually, but the value of—such the property is to be determined according to its value on the first day of November preceding the assessment, while the value of any owner—occupied single-family dwelling is subject to the value limitations provided in section 1 of this Act.