



2022 South Dakota Legislature
House Bill 1001
ENROLLED

AN ACT

ENTITLED An Act to revise the freeze on assessments for dwellings of disabled and senior citizens.

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

Section 1. That § 10-6A-1 be AMENDED:

10-6A-1. Terms as used in this chapter mean:

- (1) "Base year," for any property owner who reached sixty-five years of age or became disabled in or prior to 1981, the base year is 1977. For any property owner who reaches sixty-five years of age or becomes disabled after 1981, the base year is the year in which the property owner reaches sixty-five years of age or the year in which the property owner becomes disabled. In the case of a surviving spouse, the base year is the year that would have been the base year of the deceased spouse;
- (2) "Base year assessment," the actual assessed value of a single-family dwelling in the base year or, at the applicant's election, a year subsequent to the base year. The applicant need not have been the owner of the dwelling during the base year;
- (3) "Department," the South Dakota Department of Revenue;
- (4) "Disabled," any person who receives or is qualified to receive monetary payments, pursuant to Title II, X, XIV, or XVI of the Social Security Act, as amended to January 1, 2008, for all or part of the year for which a property tax assessment freeze application is made;
- (5) "Household," the association of persons who live in the same dwelling, sharing its furnishings, facilities, and accommodations, but not including bona fide lessees, tenants, or roomers and boarders on contract;
- (6) "Household income," all income received during the preceding calendar year by all persons of a household while members of the household;
- (7) "Income," the sum of adjusted gross income as defined in the United States Internal Revenue Code, as defined by § 10-1-47, and IRA disbursements, the amount of

capital gains excluded from adjusted gross income, alimony, support money, nontaxable strike benefits, cash public assistance and relief, the gross amount of any pension or annuity, including Railroad Retirement Act benefits and veterans disability pensions, all payments received under the federal social security and state reemployment assistance or unemployment insurance laws, nontaxable interest, life insurance proceeds that exceed twenty thousand dollars, any gift or inheritance that exceeds five hundred dollars, proceeds from a court action, any sale of a personal item that exceeds five hundred dollars, foster care income, and workers' compensation;

- (8) "Property owner," the owner of a dwelling as recorded by the register of deeds in the county where the dwelling is located. A joint tenant, an owner of a life estate, a beneficiary of a trust, and a vendee of a contract for deed as filed with the register of deeds in the county where the dwelling is located is considered to be an owner;
- (9) "Real property tax assessment freeze," for tax purposes, the assessment of a single-family dwelling as recorded in the base year on the county assessment roll and held constant at that value;
- (10) "Secretary," the secretary of the South Dakota Department of Revenue;
- (11) "Single-family dwelling," a house, condominium apartment, or manufactured home as defined in § 32-3-1 that is assessed and taxed as a separate unit including the platted lot upon which the structure is situated or one acre, whichever is less, and the garage, whether attached or unattached;
- (12) "Surviving spouse," the spouse of a deceased property owner who has not remarried.

Section 2. That § 10-6A-2 be AMENDED:

10-6A-2. Any person making an application under the provisions of this chapter is entitled to a real property tax assessment freeze upon the person's single-family dwelling if the person:

- (1) Has a household income of less than thirty-five thousand dollars if the household is a single-member household or the person has a household income of less than forty-five thousand dollars if the household is a multiple-member household; and
- (2) Has been a property owner and a resident of South Dakota for at least one year; and
- (3) Has resided for at least two hundred days of the previous calendar year in the single-family dwelling; and

(4) Has established a base year.

The surviving spouse of a person who has previously qualified is entitled to the real property tax assessment freeze if the surviving spouse meets the other conditions of this chapter.

Beginning on January 1, 2023, the household income listed in subdivision (1) of this section shall increase annually by the index factor. The index factor is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics of the United States Department of Labor for the year before the year immediately preceding the year of adjustment or the annual percentage change in federal social security payments for the preceding year, whichever is greater.

Section 3. That § 10-6A-3 be AMENDED:

10-6A-3. This chapter does not apply to a single-family dwelling with a full and true market value of three hundred thousand dollars or more unless the applicant has received the freeze on assessments in a preceding year on the single-family dwelling. Beginning on January 1, 2023, the eligibility qualification value of the single-family dwelling provided in this section shall be annually increased by an index factor. The index factor is the annual percentage change in the consumer price index for urban wage earners and clerical workers as computed by the Bureau of Labor Statistics of the United States Department of Labor for the year before the year immediately preceding the year of adjustment or the annual percentage change in federal social security payments for the preceding year, whichever is greater.

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I certify that the attached Act originated in the:
House as Bill No. 1001

Received at this Executive Office this ____ day of _____, 2022 at _____ M.

Chief Clerk

By _____ for the Governor

Speaker of the House

The attached Act is hereby approved this _____ day of _____, A.D., 2022

Attest:

Chief Clerk

Governor

STATE OF SOUTH DAKOTA,

ss.

Office of the Secretary of State

President of the Senate

Attest:

Filed _____, 2022 at _____ o'clock ___ M.

Secretary of the Senate

Secretary of State

House Bill No. 1001
File No. _____
Chapter No. _____

By _____
Asst. Secretary of State