



2024 South Dakota Legislature

House Bill 1040

Introduced by: **Representative Ladner**

1 **An Act to limit annual valuation increases on owner-occupied single-family**
 2 **dwelling.**

3 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:**

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

6 (1) The fair market value of any owner-occupied single-family dwelling on November
 7 1, 2020, increased by no more than three percent annually for each assessment
 8 required by § 10-6-105 that was completed in 2021, 2022, and 2023;

9 (2) Where a change in ownership of an owner-occupied single-family dwelling has
 10 occurred between November 2, 2020 and October 31, 2024, inclusive, the fair
 11 market value of the property on the date of transfer or purchase increased by no
 12 more than three percent annually for any assessment required by § 10-6-105, that
 13 was completed after the transfer or purchase in any year between 2021 and 2023,
 14 inclusive; or

15 (3) Where a change in ownership of an owner-occupied single-family dwelling occurs
 16 on November 1, 2024, or later, the fair market value of the property.

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

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

1 The base amount of any owner-occupied, single-family dwelling may be further
2 increased if there is a change in the use or classification of the property or to account for
3 any addition or expansion to the property.

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

5 **10-6-105.** All real property subject to taxation ~~shall~~ must be listed and assessed
6 annually, but the value of ~~such~~ property is to be determined according to its value on the
7 first day of November preceding the assessment, subject to the value limitations provided
8 in section 1 of this Act.