

AN ACT

ENTITLED, An Act to revise certain provisions concerning the agricultural land task force.

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

Section 1. That § 10-6-33.35 be amended to read as follows:

10-6-33.35. There is hereby established the Agricultural Land Assessment Implementation and Oversight Advisory Task Force. The task force shall consist of the following fourteen members:

- (1) The speaker of the House of Representatives shall appoint four members of the House of Representatives, no more than two of whom may be from one political party;
- (2) The speaker of the House of Representatives shall appoint three members of the general public, at least one of the members shall have an agricultural background and at least one of the members shall have a business background;
- (3) The president pro tempore of the Senate shall appoint four members of the Senate, no more than two of whom may be from one political party; and
- (4) The president pro tempore of the Senate shall appoint three members of the general public, at least one of the members shall have an agricultural background and at least one of the members shall have a business background.

The initial appointments shall be made no later than July 1, 2008, and shall serve until January 12, 2009. The speaker of the House of Representatives and president pro tempore of the Senate before the close of each regular session of the Legislature held in odd-numbered years shall appoint members to the task force for a term of two years. If there is a vacancy on the task force, the vacancy shall be filled in the same manner as the original appointment.

The task force shall advise the department regarding the rules promulgated by the department to administer the provisions concerning the assessment and taxation of agricultural lands and shall review the implementation of the provisions of law concerning the assessment and taxation of

agricultural land. The task force shall report to the Senate and House of Representatives and may submit a copy of its report to the Governor. The task force may present draft legislation and policy recommendations to the Legislative Research Council Executive Board.

The task force shall make recommendations in the following areas:

- (1) The proper percentage of annual earning capacity to be used to determine the agricultural income value pursuant to § 10-6-33.28;
- (2) The proper capitalization rate in order to have total taxable valuation for the taxes payable in 2011 from agricultural property be not more than total taxable valuation for the taxes payable in 2010 from agricultural property plus the estimated growth in agricultural property value in 2010;
- (3) The changes, if any, that must be made to §§ 13-10-6, 13-16-7, 13-37-16, and 13-37-35.1 to ensure that the total amount of additional taxes that may be generated on agricultural land by a school district pursuant to the provisions of §§ 13-10-6, 13-16-7, 13-37-16, and 13-37-35.1 will not provide a substantial property tax revenue increase for the school district pursuant to the implementation of the productivity system pursuant to §§ 10-6-33.28 to 10-6-33.33, inclusive;
- (4) The changes, if any, that must be made to §§ 13-10-6, 13-16-7, 13-37-16, and 13-37-35.1 to ensure that the total amount of property taxes that may be lost on agricultural land by a school district pursuant to the provisions of §§ 13-10-6, 13-16-7, 13-37-16, and 13-37-35.1 will not provide a substantial property tax revenue decrease for the school district pursuant to the implementation of the productivity system pursuant to §§ 10-6-33.28 to 10-6-33.33, inclusive; and
- (5) The distribution of the local effort for the general fund of school districts between the classifications of real property as provided by § 13-13-72.1 which establishes the real

property tax contribution from agricultural property for the general fund of school districts as a fixed ratio of the total local effort for such levies. The task force shall also consider the other taxes paid by agricultural property, the relationship of the total assessed value of agricultural property to the total assessed value of all real property, and other factors the task force deems appropriate.

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I certify that the attached Act
originated in the

HOUSE as Bill No. 1165

Chief Clerk

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Speaker of the House

Attest:

Chief Clerk

President of the Senate

Attest:

Secretary of the Senate

House Bill No. 1165
File No. _____
Chapter No. _____

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Received at this Executive Office
this ____ day of _____ ,

20__ at _____ M.

By _____
for the Governor

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The attached Act is hereby
approved this _____ day of
_____, A.D., 20__

Governor

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STATE OF SOUTH DAKOTA,
ss.
Office of the Secretary of State

Filed _____, 20__
at _____ o'clock __ M.

Secretary of State

By _____
Asst. Secretary of State