



2025 South Dakota Legislature

Senate Bill 90

Introduced by: **Senator Deibert**

1 **An Act to clarify provisions regarding tax deeds.**

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

3 **Section 1. That § 10-25-12 be AMENDED:**

4 **10-25-12.** Any deed acquired pursuant to § 10-25-39.1 or 10-25-39.2 vests in
5 the grantee an absolute estate in fee simple in the real property. However, the real
6 property is subject to any claim that the state or county may have in the real property for
7 taxes, liens, or encumbrances. The real property is also subject to any lien for past-due
8 installments of special assessments for the financing of municipal improvements levied
9 pursuant to chapter 9-43, including principal and interest on the installments except as
10 provided by § 9-43-100. The holder of the deed or the holder's successor in interest is
11 entitled to immediate exclusive possession of the real property described in the deed
12 regardless of the rights of any person to redeem or question exclusive possession
13 thereafter.

14 **Section 2. That § 10-25-39 be AMENDED:**

15 **10-25-39.** The proceeds of the tax deed sale, after deducting the expenses
16 incurred by the county in the proceeding to take tax deed and in the sale proceeding,
17 must be distributed by prorating the proceeds on the basis of the tax levies for the most
18 recent year for which taxes are included in the proceeds of the sale, until all tax and
19 interest have been paid.

20 Any surplus proceeds of the tax deed sale that remain after payment of the taxes,
21 penalty, interest, county liens and other costs, must be returned to the prior owner of
22 record. If the prior owner of record cannot be found within one hundred eighty days, the
23 surplus must be transferred to the Unclaimed Property Division pursuant to chapter 43-
24 41B.