



2025 South Dakota Legislature

House Bill 1119

Introduced by: **Representative** Ladner

1 **An Act to limit annual valuation increases on owner-occupied single-family**
2 **dwellings and nonagricultural property.**

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 the annual assessment required by § 10-6-105, the assessed value
6 of an owner-occupied single-family dwelling or nonagricultural property may not increase
7 more than three percent annually from the assessed value of the property in the prior
8 year, unless otherwise provided in this section.

9 When a change in ownership of an owner-occupied single-family dwelling or
10 nonagricultural property occurs without the property being sold between a willing seller
11 and a willing buyer in an arms-length transaction, the assessed value of the property for
12 that assessment year may increase more than three percent over the assessed value of
13 the property in the prior year, and the assessed value of the property must equal the fair
14 market value of the property as determined with appropriate consideration of the cost
15 approach, the market approach, and the income approach.

16 When an owner-occupied single-family dwelling or nonagricultural property is sold
17 between a willing seller and a willing buyer in an arms-length transaction, the property's
18 assessed value in that year must equal the sales price of the property.

19 The assessed value of any owner-occupied single-family dwelling and
20 nonagricultural property may be further increased if there is a change in the use or
21 classification of the property or to account for any addition or expansion to the property.

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

23 **10-6-105.** All real property subject to taxation ~~shall~~ must be listed and assessed
24 annually, but the value of ~~such~~ the property is to be determined according to its value on
25 the first day of November preceding the assessment, while the value of any owner-

- 1 occupied single-family dwelling and nonagricultural property is subject to the value
- 2 limitations provided in section 1 of this Act.