



2025 South Dakota Legislature

House Bill 1246

Introduced by: **Representative** Ladner

1 **An Act to require the director of equalization to adjust certain agricultural land**
2 **values.**

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

4 **Section 1. That § 10-6-130 be AMENDED:**

5 **10-6-130.** All soils ~~must be~~ are divided into classes based on soil classification
6 standards developed by the United States Department of Agriculture, Natural Resources
7 Conservation Service.

8 All agricultural land must be categorized as either cropland or noncropland. Soil
9 types with land capability class I, II, and III must be categorized as cropland and soil
10 types with land capability classes V, VI, VII, and VIII must be categorized as noncropland.
11 Soil types with land capability class IV may be categorized by the director of equalization
12 as either cropland or as noncropland. The director of equalization ~~must~~ shall notify the
13 department by November ~~1~~ first of each year of any changes to the categorization of the
14 land capability class IV soil types. Beginning with the 2023 assessment year, the total
15 acres of class IV soil types classified as noncropland in a county may increase a maximum
16 of twenty percent over the total acres of class IV soil types classified as noncropland in
17 the county in the previous assessment year.

18 The department shall provide each county with soil ratings for all soil types present
19 in the county. The director of equalization shall implement the soil ratings and utilize the
20 ratings as the basis for determining the value of each soil type in the county.

21 The director ~~may~~ shall make an adjustment to a parcel pursuant to § 10-6-131.

22 Nothing in this section prohibits the department from categorizing soil types with
23 land capability class I, II or III as noncropland if one or more of the adjustment factors
24 contained in § 10-6-131 affects the productivity of the soil type, and the reasonable,
25 probable use of the soil type that is physically practical, appropriately supported,

1 financially feasible, and that results in the highest sustainable use of the land, is not
2 harvesting crops or plants produced.

3 **Section 2. That § 10-6-131 be AMENDED:**

4 **10-6-131.** Before July first of each year, the secretary of ~~revenue~~ the department
5 shall ~~annually~~ provide each director the agricultural income value for each county as
6 computed pursuant to § 10-6-127. The director shall annually determine the assessed
7 value of agricultural land. The director ~~may~~ shall adjust the assessed value of agricultural
8 land to the extent that one or more of the following factors affect the productivity of the
9 land:

- 10 (1) Location;
11 (2) Size;
12 (3) Soil survey statistics;
13 (4) Terrain;
14 (5) Topographical condition;
15 (6) Climate;
16 (7) Accessibility; or
17 (8) Surface obstructions, including shelterbelts.

18 The director shall document each adjustment by using data from sources
19 reasonably related to the adjustment being made. In addition, the director may use data
20 from comparable sales of agricultural land to document the adjustment concerning
21 productivity for any of the factors listed in this section.

22 If the actual use of agricultural land varies from the land use category specified by
23 soil classification standards, or if any factors listed in this section exist that affect the
24 productivity of the land, the property owner may request an examination of the land by
25 the director on a form prescribed by the department. The director shall determine whether
26 to adjust the assessed value of the agricultural land pursuant to the factors listed in this
27 section.

28 The director shall document all supporting evidence for the adjustment
29 determination. The director shall provide any adjustment documentation to the
30 department upon request. The director ~~must~~ shall keep the adjustment documentation in
31 the director's office for the life of the adjustment.

32 For the purposes of this section, ~~the term~~ "shelterbelt" means field shelterbelts,
33 farmstead windbreaks, wildlife tree plantings, living snow fences, and other tree plantings

- 1 made specifically for conservation purposes, but excluding trees planted for ornamental
- 2 or commercial purposes.