

BE IT ENACTED BY THE PEOPLE OF SOUTH DAKOTA:

Section 1. That chapter 10-6 be amended with a NEW SECTION:

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

(1) The fair market value of any owner-occupied single-family dwelling and nonagricultural property on November 1, 2020, increased by no more than two and a quarter percent annually for each assessment required by § 10-6-105 that was completed in 2021 to 2026, inclusive; and

(2) For any owner-occupied single-family dwelling, and nonagricultural property where a new structure or addition was added between 2021 to 2026, inclusive, the fair market value of the property, taking into account the new structure or addition, as if the valuation occurred on November 1, 2020, increased by no more than two and a quarter percent annually from the date of completion of the new structure or addition to assessment year 2026, inclusive.

For purposes of the annual assessment required by § 10-6-105, the assessed value of an owner-occupied single-family dwelling and nonagricultural property may not increase more than two and a quarter percent annually, from the base amount beginning with assessment year 2027 and each assessment year thereafter.

If a change in ownership of an owner-occupied single-family dwelling or nonagricultural property occurs, the property retains the same assessed value as existed with the prior owner at the time the change in ownership occurred.

In assessment year 2027 and thereafter, the assessed value of any owner-occupied single-family dwelling and nonagricultural property may be further increased if there is a change in the use or classification of the property or to account for any addition or expansion to the property.

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

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