



Attorney General

NOV - 8 2023

November 6, 2023

Dear Senator Frye-Mueller:

[SDCL 12-13-25](#) requires the Legislative Research Council (LRC) to review each proposed initiated constitutional amendment submitted to it by a sponsor, for the purpose of assisting the sponsor in writing the amendment "in a clear and coherent manner in the style and form of other legislation" that "is not misleading or likely to cause confusion among voters."

The initiated constitutional amendment proposes to amend S.D Const. Art. XI, § 2, to provide limits on annual property valuation increases and property taxes due.

The proposed constitutional amendment is drafted as follows:

Additional language for Section 2 of Article XI of our SD Constitution:

After the words "reasonable exemptions may be provided."

New paragraph:

The assessed value of a property may not increase more than two percent annually. The base amount for the valuation of each property is the assessed value of the property in 2020 multiplied by a percentage not to exceed two percent for each subsequent year. For a property where a change in ownership has occurred in 2020 or later, the base amount for valuation under this section is the reassessed value of the property on the date of the transfer or purchase multiplied by a percentage not to exceed two percent for each subsequent assessment year. The assessed value of property may be further adjusted if there is a change in property use or classification or to account for any addition to or improvement or expansion of the property.

The annual tax due on a property may not exceed one percent of the assessed value of the property. The limitation on taxes due on a property does not apply to a tax imposed on the property to pay for a special assessment.

Section 3. Section 2 of this Act is effective July 1, 2026.

[SDCL 12-13-24](#) requires an initiated constitutional amendment to be written in the "form of other legislation." The LRC suggests several style, form, and clarity changes to conform to this requirement.

1. S.D. Const. Art. III, § 1 provides that the enacting clause of all laws approved by vote of the electors is as follows: "Be it enacted by the people of South Dakota." The LRC recommends that this enacting clause be used for the proposal.
2. The typical lead-in clause for a proposed constitutional amendment is as follows: "That Article XI, § 2 of the Constitution of the State of South Dakota, be AMENDED:". The LRC recommends that this lead-in clause be used to be consistent with the form of other legislation.