



# Legislative Update – Week 5

February 13, 2026

The fifth week of the 2026 South Dakota Legislative session is complete. We are over halfway done with the 101<sup>st</sup> Legislative Session and the Legislature continues to push bills through their respective committees. Twenty-one days have been completed, and 17 days remain over the next four weeks. Six legislative days are left until Crossover Day, which is the deadline for all bills to be acted on in their body of origin.

Also this week, South Dakota Farm Bureau held our annual Day at the Capitol on Monday and Tuesday. It was a great opportunity to highlight SDFB as an organization to the State Legislature!

## **Governor Vetoes Cell-Cultured Protein Bill**

Governor Rhoden recently vetoed HB 1077, a bill that would have changed the definition of adulterated food in South Dakota as well as created a California-style prohibition on federally approved food products. To be clear, SDFB does not support or endorse cell cultured proteins; however, we do have serious concerns with the dangerous precedent this bill presented to agriculture. For example, if enacted and upheld, the bill would invite states to ban federally approved products based solely on subjective or political judgments rather than science-based standards. Under this framework, nothing would prevent another state from banning federally approved agricultural products simply because a legislature believes them to be undesirable. SDFB, along with SD Retailers and SD Cattlemen's opposed HB 1077 and sent letters encouraging his veto.

Click [here](#) to read the Governor's veto message.

Click [here](#) to read SDFB's letter encouraging a veto.

In addition to the veto, the Governor announced intentions to pursue a five-year moratorium on the sale of cell cultured protein in South Dakota.

## **Bill to Destroy Agricultural Land Productivity System Heard in Committee**

SDFB continues to be actively engaged on multiple property tax bills. One proposal that should be on every farmer and rancher's radar is SJR 506. If passed by the Legislature, this joint resolution would place a constitutional amendment on the 2026 general election ballot that would fundamentally change how property taxes are calculated in South Dakota.

SJR 506 would dismantle our current productivity-based assessment system for agricultural land and replace it with a market-value system that taxes property at 1% of the market value for South Dakota residents and 2% of the market value for nonresidents. To put that into perspective, if you purchased farmland in southeast South Dakota in 2028 for \$13,000 per acre, you would owe \$130 per acre per year in property taxes as a resident. This proposal also mirrors a failed California-style model that discourages property from changing hands because of massive tax increases upon sale, creates new inequities in a system South Dakota farmers and ranchers have worked decades to make fair and balanced, and would make it significantly more difficult for the next generation to purchase agricultural land due to sharply higher property tax burdens.

Action on SJR 506 will be heard in Senate Taxation next Wednesday. Please contact the following legislators over the weekend and urge them to **VOTE NO** on SJR 506!

[Sen. Sue Peterson](#)

[Sen. Joy Hohn](#)

[Sen. Greg Blanc](#)

[Sen. Casey Crabtree](#)

[Sen. Sydney Davis](#)

[Sen. Tamara Grove](#)

[Sen. Amber Hulse](#)

### **Agricultural Sales Tax Exemption Passes Committee Unanimously**

The good news of the week is the decision by the House Taxation Committee to pass HB 1254. This bill codifies existing practice by explicitly exempting soil amendments from sales tax when used for agricultural purposes, aligning statute with how these products are already treated in the marketplace. It is important to note that retailers are **not** currently collecting sales tax on soil amendments based on long-standing treatment like fertilizer, which has always been sales-tax exempt. Only recently was it discovered that soil amendments are not explicitly exempt in statute, creating uncertainty for farmers, ranchers, and retailers. SDFB, along with several other agricultural organizations, testified in support of HB 1254. The committee passed it unanimously and the bill now heads to the House floor for debate.

### **Brand Board Bills Debated**

Two brand board bills, HB 1020 and HB 1267, were debated in the committees this week. SDFB successfully lobbied on both bills.

HB 1020 is a product of an ad-hoc work group made up of SDFB, SD Cattlemen's, SD Stockgrowers, SD Department of Agriculture and Natural Resources, and the Livestock Marketing Association. The bill would increase the brand inspection fee cap from \$1 to \$1.65 per head inspected. Currently, the brand inspection program is operating at a deficit, and the program cannot be successful if it is not adequately funded. It is important to note that the increase is only associated with the fee cap. The actual fee must be approved through the Rules Review Committee and may be set at a different rate below \$1.65. In accordance with SDFB's member-directed policy book, SDFB supported HB 1020. It passed the Senate Agriculture and Natural Resources Committee, but was deferred for action in the Senate until next week.

The second brand board bill, HB 1267, is an effort to mandate brand inspection statewide. Currently, brand inspection only applies to the counties west of the Missouri River. SDFB testified in opposition to HB 1267 for a variety of reasons. First, South Dakota's brand inspection system can be expanded into any county east of the river by a vote of producers in that county. However, East River producers in the counties that adjoin the river have already voluntarily voted to leave the inspection area. Second, expanding the system statewide would require additional inspectors, administrative support, and ongoing enforcement costs that ultimately would fall on producers. Lastly, during transition, it would likely create confusion, bottlenecks, and higher costs. Brand inspection works where it makes sense, but forcing it onto regions that have rejected it disregards producer choice and ignores regional differences. HB 1267 died in the House Agriculture and Natural Resources Committee.

## **Animal Cruelty Bill Passes Senate**

Earlier this week, SDFB, the Department of Agriculture and Natural Resources, and other agricultural groups testified in opposition to SB 156, which would create new terms and increase the penalty for animal cruelty.

While SDFB strongly opposes any type of animal cruelty, we do have concerns about the specifics of SB 156. First, South Dakota already strengthened its animal cruelty laws in 2014 after a broad coalition, including the state veterinarian, agricultural groups, and animal rights groups, worked together to clearly define animal cruelty and classify it as a felony. Senator Taffy Howard's proposal in SB 156 would increase penalties to a level comparable to child abuse while relying on subjective terms that create legal uncertainty. When penalties are that severe, the language must be precise. Our concern is that undefined standards also open the door to frivolous complaints and lawsuits from activist groups seeking to target farmers and ranchers, exposing producers to costly litigation and reputational harm.

Unfortunately, SB 156 passed out of committee and was approved by the full Senate. It will now travel over to the House of Representatives for consideration.

## **SDFB Bill Tracker**

The SDFB bill tracking list is up and running. Check it out on the SDFB website. As in past years, it gives you a quick look at the bills we are supporting, opposing, or just watching.

If you have any questions or comments, please contact the South Dakota Farm Bureau policy team.

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## **Helpful Links:**

[The SDFB Bill Tracker](#)

[The SD Legislature full list of bills](#)

[2026 SD Legislators Contact Information](#)

[2026 Cracker Barrel Schedule](#)