We have completed seven days of the 2025 legislative session. Committees began hearing bills last week and we anticipate the pace will be picking up soon. As of Thursday evening, there are 95 House bills and joint resolutions and 97 Senate bills and joint resolutions. We are tracking 37 bills which can be found on our bill tracking list.

Medicaid Expansion Joint Resolution

SDFB recently testified in support of House Joint Resolution 5001. HJR 5001 would allow the State of South Dakota to bind Medicaid expansion to the level of federal medical assistance. If passed by the voters, the new Constitutional Amendment would clarify that, if the federal government ever reduces their match below the current 90percent, the South Dakota Constitution would no longer require South Dakota to continue Medicaid expansion, or at least have a conversation about the ability to pay for it.

HJR 5001 passed the House Floor and will now travel over to the Senate for consideration. If approved by both chambers, the measure will be seen on the 2026 General Election ballot.

Cell Cultured Meat

In accordance with grassroots policy, SDFB testified in favor of HB 1022 this week, as did SD Cattlemens and SD Stockgrowers. HB 1022 addresses transparency concerns when making decisions to purchase meat products that were traditionally raised, versus products grown in a laboratory. Although there have been proposals in Congress to act at the Federal level, USDA Food Safety and Inspection Service (FSIS), to date, has not established unique labeling requirements for cell-cultured protein products, leaving the door open to consumer confusion. HB 1022 establishes labeling requirements of cell-cultured protein products requiring labels to include the words "cell-cultured" or "lab grown."

HB 1022 passed House Agriculture and Natural Resources and the House floor unanimously. It will now travel to the Senate for consideration.

The Property Tax Conversation Continues: Raising Taxes to Lower Taxes

It's often said that the squeaky wheel gets the grease; however, when it comes to property taxes, the real question is: who's paying for the grease? South Dakota's property tax system is structured in such a way that delivering relief to some means either shifting the burden to others or cutting services. Two bills currently propose property tax relief for owner-occupied properties, each using a different approach to have "someone else" cover the cost: HB 1019 and SB 85.

HB 1019 would deliver property tax relief to homeowners by lowering their general school fund levy and special education levy to \$0. In order to pay for the reduced levies, the State of South Dakota would backfill the lost revenue with state sales tax dollars. However, for the State to supply the extra dollars, proponents are advocating for a sales tax increase from the current 4.2% to 5%. In effect, homeowners would pay higher sales taxes on groceries and other goods, but would see reduced property taxes on their homes.

SB 85 proposes freezing property taxes for certain owners of owner-occupied, single-family homes who meet the following qualifications:

- 1. The individual is at least 65 years old.
- 2. The individual has owned the home in South Dakota for at least 10 consecutive years.
- 3. The individual has been a resident of South Dakota for at least 25 years.
- 4. The individual has no delinquent property taxes on any real estate they own in the state.

Eligible homeowners will have an assessment limit placed on their property. However, since property taxes operate as a zero-sum system, this freeze could shift the tax burden to other property owners, such as those who do not qualify for the freeze or those owning agricultural or commercial properties. For example, if property values in an area remain artificially low due to assessment freezes, tax levies may stay the same or increase, leading to higher tax bills for non-qualifying properties.

SDFB will continue to watch all bills related to property taxes and keep you up to date on any developments.

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.

Below is a list of bills that SDFB is supporting, watching, and opposing.

Supporting:

SB 14: Revise and repeal provisions related to agricultural production facilities and to provide a penalty therefor.

Purpose: This bill modernizes existing South Dakota laws to better protect farmers and ranchers. It also adds penalties for using deception to gain access to or employment at an ag production facility, or for knowingly placing or using a camera or electronic surveillance device to spy on an ag production facility.

Watching:

HB 1052: Prohibit the exercise of eminent domain for a pipeline that carries carbon oxide.

Purpose: This bill would prohibit the use of eminent domain for any carbon oxide pipeline.

SB 56: Authorize the payment of lease rental obligations to the South Dakota Building Authority by the Bureau of Finance and Management, to make an appropriation therefore, and to declare an emergency.

Purpose: This bill would authorize paying off bonds for the Animal Disease Research and Diagnostic Laboratory and Precision Agriculture buildings at SDSU.

HB 1021: Modify the annual fee for concentrated animal feeding operations and to establish an application fee.

Purpose: This bill proposes a fee increase to the existing concentrated animal feeding operations program.

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

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Helpful Links:

View the SDFB bill-tracker list here.

View the details on any bill by clicking this link and typing in the bill number: 2025 South Dakota Bills

Find contact information for the Legislators here: <u>2025 South Dakota Legislators</u>