



# Policy Update

**July 25, 2025**

## **South Dakota State Government Ends Fiscal Year in Surplus While Revenue Projections Indicate Slight Decline**

South Dakota's State Government recently finished its fiscal year with a \$63 million surplus. This surplus is a result of state agencies spending \$22 million less than what they were budgeted and \$41 in additional unclaimed property receipts from this spring. Specific to unclaimed property, beginning this fiscal year, all such receipts in the future will be put into a new Unclaimed Property Trust Fund that was created out of legislation from the 2025 Legislative Session. The surplus from the past fiscal year will now go into the state's reserve funds.

Looking forward to the next fiscal year, the Joint Committee on Appropriations heard reports from the Bureau of Finance and Management and the Legislative Research Council on revenue projections for fiscal year 2026. According to both reports, the state will expect to see a little under 1% decrease or approximately \$20 million from the projections the legislature made in March of this year.

Click [here](#) to read the reports.

## **Legislative Committee Meets in Rapid to Discuss Property Taxes**

Recently, the Comprehensive Property Tax Task Force met in Rapid City to discuss property taxes and according to the scope of the study, "shall conduct a comprehensive review of property tax policies and identify measures to provide significant and lasting tax relief, by focusing principally on state and local revenues and expenditures and the funding of K-12 education."

This meeting primarily focused on examining opt-outs, the discretionary formula, and tax increment financing districts as well as the opportunity for public testimony. The task force also held work group meetings in the afternoon which included school funding formula, state government finance, and local government finance. It is relevant to mention that in order to reduce property taxes, there are only three options:

1. Reduce the need for property taxes (i.e. cut budgets which could reduce services).
2. Shift the burden onto another class of property.
3. Find another revenue source.

Historically, meaningful property tax relief has been accomplished by the State of South Dakota absorbing a larger share of the education cost from property owners.

The next task force meeting will be August 13 in Aberdeen, SD.

Click [here](#) to learn more about the task force.

**One Big Beautiful Bill Act: Final Agricultural Provisions**

After months of negotiation and debate, the One Big Beautiful Bill Act (OBBA) (H.R.1) was signed into law by President Trump on July 4. The resulting sweeping legislative package preserves Farm Bureau-supported provisions, strengthens the farm safety net and offers longer-term certainty for farmers and ranchers navigating rising input costs, volatile markets and weather uncertainty. At the same time, the bill is not a complete substitute for a full farm bill reauthorization. Crafted through the reconciliation process, the bill was shaped by budget and jurisdictional limits that excluded several important areas of farm and rural policy.

Click [here](#) to read Farm Bureau's analysis of the One Big Beautiful Bill Act.

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