

The fourth week of the legislative session is five working days instead of the customary four-day week. This Wednesday, the deadline to file bills was reached and the total result was 488 bills and 14 joint resolutions! In addition to there being more bills than last year, Farm Bureau is tracking 109 bills which is about double than last year. This week, South Dakota Farm Bureau was excited to host Farm Bureau Day at the Capitol. The event was held Feb. 3-4 and included an evening social, county leaders' training, and a picture with the new Governor and Lt. Governor. We thank all our members who were able to highlight Farm Bureau to the Legislature.

Governor Convenes Legislators to Discuss Property Tax Bills

In Governor Rhoden's joint address to the Legislature, he mentioned efforts to convene leadership in the House, the Senate, and other interested parties to sit down and find solutions to the property tax issue. To date, there are approximately 20 bills related to property taxes. These bills range from limiting assessment growth to freezing taxes on the elderly. It is important to note that to reduce property taxes, there are only three options.

1. Reduce the total need for property taxes (i.e. cut services);
2. Shift the burden to other classes of property; or
3. Offset property taxes with other forms of revenue.

Of the roughly 20 bills that have been dropped, all three of these categories are addressed in some way, shape, or form; however, most of the bills would result in shifts to other classes of property such as agricultural or commercial. SDFB will continue to monitor these bills and work with the Governor's Office to try to find a solution to the property tax issue.

Cell Cultured Meat Debate Continues

SDFB, SD Cattlemen's, and Department of Agriculture and Natural Resources opposed HB 1109 in the House Agricultural and Natural Resources Committee. HB 1109 prohibits the sale, manufacture or distribution of cell cultured meat in South Dakota. First, SDFB does not endorse cell cultured protein products or represent their interest in any way. Instead, SDFB opposed the bill based upon the belief that it is bad policy to have states ban the sales of certain products based upon personal beliefs. For example, California restricted the sale of pork that wasn't raised in a certain way because they thought it would be safer for the animal. How can farmers and ranchers argue against a ban on one product while endorsing a ban on another product? Additionally, the bill is similar to legislation in Florida and the bill is currently pending in court due to commerce clause concerns.

Unfortunately, HB 1109 passed the House Agriculture and Natural Resources Committee and the House floor. It will now travel to the Senate for consideration.

Within the cell-culture meat conversation, SDFB did support HB 1022. HB 1022 addresses transparency concerns when making decisions to purchase meat products that were traditionally raised versus products grown in a laboratory. HB 1022 establishes labeling requirements of cell-cultured protein products requiring labels to include the words "cell-cultured" or "lab grown."

HB 1022 has passed both chambers and is now waiting for the Governor's signature.

Right-to-Repair Bill

Right-to-repair has been an important issue for Farm Bureau members for years and they asked the national organization to find a private-sector solution. At American Farm Bureau Federation's 2023 Annual Convention, AFBF signed the first memorandum of understanding with John Deere. Following the MOU with John Deere, AFBF has signed agreements with four other manufacturers. The MOUs have allowed manufacturers to protect their intellectual property while ensuring farmers and independent repair shops are able to make repairs. Unfortunately, instead of working it out with private industry and avoiding a patchwork of state laws, HB 1151 has been introduced that will only complicate the landscape for farmers and ranchers.

The MOUs have established a direct path for our members to reach a manufacturer to immediately resolve any repair issues that arise. We have seen this work already and believe it to be a much more effective solution than having a farmer or rancher file a state consumer fraud claim under state legislation. It is pretty clear which path will result in the farmer's equipment getting back up and running in a timely manner.

Please contact your legislator and urge them to vote NO on HB 1151!

Natural Asset Companies bill defeated

SDFB and a host of other organizations and the Department of Transportation and Department of Agriculture and Natural Resources successfully defeated HB 1107 on the House Floor on Wednesday. HB 1107 attempted to place a prohibition on natural asset companies; however, the New York Stock Exchange (NYSE) in January of 2024 withdrew from the Securities and Exchange Commission a proposal to create a new tradeable asset class called "natural asset companies." In other words, to date, natural asset companies do NOT exist. The host of opponents believed that it is bad policy to prohibit something that does not exist. Additionally, there were concerns that the bill would remove property rights. Currently, landowners have the right to choose who manages their land as well as how the land is managed. For example, in the future, if a landowner wants to contract with a natural asset company to manage the conservation of a defined area, why should the State of South Dakota tell a landowner what they can or cannot do with his or her property? Lastly, if natural asset companies materialize, the incredibly broad definition of a natural asset company in HB 1107 could conflict with definitions with the NYSE.

ADRDL Bond Payoff

The Administration is proposing to use one-time money to pay off several bonds, including the Animal Disease Research and Diagnostic Lab (ADRDL) bond. Consequently, this would free up \$3.35 million in general funds. However, it is important to note that 10 years ago, agriculture groups began working with legislators and the Governor's Office to develop a funding package to pay for overdue upgrades and expansion of the ADRDL on the SDSU Campus. When the state's sales tax rate was raised by half a penny in 2017, the money was to be used for teacher salaries and property tax relief. Agriculture land taxes were supposed to go down by approximately \$7.2 million. However, agriculture groups agreed to re-direct \$3.35 million of that property tax relief toward paying for the ADRDL. When the bond payments were completed, the property tax relief dollars were to revert to agriculture. As of right now, SDFB, as well as other agriculture groups, are encouraging the Administration to ensure that those property tax relief dollars eventually make it back to agriculture and are not permanently swept to the general fund for ongoing state expenses.

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:

HJR 5001: Proposing and submitting to the voters at the next general election an amendment to the Constitution of the State of South Dakota, conditioning the requirement of expanded Medicaid on the level of federal medical assistance.

Purpose: This joint resolution 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 90%, the South Dakota Constitution would no longer require South Dakota to continue Medicaid expansion.

Watching:

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.

Opposed:

HB 1120: Transfer certain moneys and to make an appropriation for the operations of the state library.

Purpose: This bill would transfer money out of the livestock disease emergency fund into the general fund to help fund the state library.

HB 1165: Provide a means by which an agricultural producer can reject the imposition of an assessment on crops.

Purpose: This bill would require the wheat, corn, pulse, and oilseed checkoffs to create forms allowing producers to opt-out of the checkoff.

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 214: Repeal the expiration of a reduction in certain gross receipts and use tax rates.

Purpose: This bill repeals the sunset on the reversion of the state sales tax rate from 4.2% to 5.0%.

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

Matthew Bogue

SDFB State Public Policy Director

(605) 377-8833

matthew@sdfbf.org

Krystil Smit
SDFB Executive Director
(605) 261-2960
k.smit@sdfbf.org

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:

[2025 South Dakota Legislators](#)