

The 2025 South Dakota Legislative Session kicked off this week and we are off and running. As of Thursday night, there are 153 bills filed with the Legislative Research Council. Additionally, there are many new faces with 32 new members to the 105-seat Legislature and nine former legislators making their return.

As we've done in the past, this newsletter will come out weekly on Friday. If there is a legislative item that you would like to contact your legislators about, the best time to make that contact is over the weekend. The strength of SD Farm Bureau's legislative program is in the grassroots process of its members reaching out to their respective legislators.

## **State of the State**

Governor Kristi Noem gave her last State of the State address to a joint session of the legislative bodies to kick off the Legislative Session on Tuesday this week. Governor Noem touted the management of the state during the pandemic and provided a "Top 10" list of why South Dakota will continue to be an example to the nation. Pertaining to agriculture, Governor Noem explained her plan to form an agreement between the State of South Dakota, the South Dakota Ag Foundation, and First Dakota National Bank to transfer First Dakota's Keep Farmers Farming program to the South Dakota Ag Foundation. We will continue to update you on developments on this partnership.

## **Property Taxes**

As is typical with the South Dakota Legislature, reducing property taxes will be a major topic of conversation. However, in order to reduce property taxes, the Legislature has three options:

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

Currently, there is one major proposal on the table that seeks to reduce property taxes by means of option #3. House Bill 1019, sponsored by Representative Tony Venhuizen from Sioux Falls, would deliver property tax 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, in order for the State to supply the extra dollars, proponents are advocating for a sales tax increase from the current 4.2 percent to 5 percent. It is important to note that only owner-occupied properties would experience the property tax relief. SDFB will be monitoring this bill closely and will keep you updated on any developments or new bills that seek to fix the age-long question of how to reduce property taxes.

## **CAFO Fee Increase**

The Department of Agriculture and Natural Resources (DANR) is proposing a fee increase to the existing Concentrated Animal Feeding Operations (CAFO) program. The current fees have not been changed since they were adopted 28 years ago and currently cover approximately 5 percent of the total **\$1,850,000** cost of running the program. DANR's goal is to have fees cover approximately a third of the cost of running the program, with state general funds and federal funds each contributing approximately a third of the cost of the program. The **current** fee structure is below.

Number of Animal Units	Annual Fee
< 1,000	\$100
1,000-1,999	\$175
2,000 or more	\$250

House Bill 1021 would change from a three-tiered fee structure to a per-animal fee structure, with the fee differing based on the species. If the proposal moves forward, the fee changes would be phased in over a three-year period. From the first to the second year, the fee would increase 100%. From the second to the third year, the fee would increase 50%.

The proposed fee structure is shown in the table below.

Permitted Animal Type / Maximum Permitted Head vs Proposed Fee Over Time			
Animal Type	July 1, 2025	July 1, 2026	July 1, 2027
Dairy cattle (mature – milked or dry)	\$0.172 / head	\$0.343 / head	\$0.514 / head
Other cattle	\$0.12 / head	\$0.24 / head	\$0.36 / head
Horses	\$0.24 / head	\$0.48 / head	\$0.72 / head
Swine (weaned) less than 55 pounds	\$0.012 / head	\$0.024 / head	\$0.036 / head
Swine equal to or greater than 55 pounds	\$0.048 / head	\$0.096 / head	\$0.144 / head
Sheep or weaned lambs	\$0.012 / head	\$0.024 / head	\$0.036 / head
Turkeys	\$0.0022 / head	\$0.0044 / head	\$0.0066 / head
Chickens	\$0.0011 / head	\$0.0022 / head	\$0.0033 / head
Ducks or geese	\$0.004 / head	\$0.008 / head	\$0.012 / head
Other permitted animal types	No greater than \$2,000 per permit	No greater than \$2,000 per permit	No greater than \$2,000 per permit

In addition to the per-animal fee structure, DANR is proposing to assess a \$600 fee for the following:

1. An application for a new operation;
2. An application to increase the maximum animal numbers at an operation;
3. An application to increase the manure or process wastewater containment structure volume at an operation;
4. A second or any subsequent application, submitted in a calendar year, adding land application fields to the permit of an operation;
5. An application submitted for an individual permit; or
6. An application for coverage under a general permit submitted after July 1, 2027.

Similar to the other bills previously discussed, SDFB will monitor the legislation and keep you updated on 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:**

**HJR 501:** 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.

**HB 1022:** Prohibit the misbranding of any cell-cultured protein product.

**Purpose:** This bill would establish labeling requirements for cell-cultured protein products.

#### **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 of bonds for the Animal Disease Research and Diagnostic Laboratory and Precision Agriculture buildings at SDSU.

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:

[2025 South Dakota Legislators](#)