



Policy Update

April 4, 2025

2025 Legislative Session Concludes with Veto Day

The 100th Legislative Session concluded on Monday, March 31 with Veto Day. Veto Day is when the Legislature has the opportunity to override a Governor's veto with a two-thirds vote in both the Senate and the House of Representatives.

This year, the Governor vetoed two bills: HB 1132 and HB 1169. HB 1132 pertained to South Dakota's childcare assistance program. HB 1169 would have required geographic distribution of signatures for constitutional amendments.

The Governor vetoed HB 1169 due to concerns about its constitutionality. He also urged support of a ballot measure that seeks to raise the threshold for passing constitutional amendments from a simple majority to 60 percent. Although the House of Representatives successfully voted to override the veto with a two-thirds majority, the effort ultimately failed in the Senate.

Overall, of the total 489 bills, 210 bills were signed into law.

Click [here](#) to read the Governor's veto letter on HB 1169.

Governor Proposes Property Tax Relief Plan

Governor Larry Rhoden recently announced plans to deliver property tax relief to homeowners.

Governor Rhoden's Homeowner Tax Relief Proposal would be implemented in the following ways:

- Each county commission would have the option to directly reduce owner-occupied (homeowner) property taxes by replacing the revenue with a county sales tax of up to 0.5%;
- The funds raised from the optional sales tax would be placed into a Property Tax Reduction Fund at the county level;
- The use of the optional sales tax would be 100% dedicated towards directly lowering the county property taxes for all homeowners within the county;
- The property tax reduction would be achieved through a Homeowner Tax Credit, which would be paid out from the Property Tax Reduction Fund; and
- If owner-occupied property taxes in the county are fully offset by the Homeowner Tax Credit, any remaining funds in the Property Tax Reduction Fund must be used to lower property taxes among the other two classes of property: agriculture and other/commercial.
- The Homeowner Tax Relief Proposal would also be referable to a public vote in each county.

In addition to the Governor's proposal, the Legislature has assigned a task force to meet over the summer to examine the property tax issue.

Legislative Executive Board Establishes Summer Study Committees

The Legislative Executive Board recently established the 2025 legislative summer study committees. The South Dakota Legislature conducts summer studies to take an in-depth look at complex policy issues that may require more time and research than is available during the regular legislative session. These studies allow lawmakers to gather information, hear from experts, and develop potential legislation for the next session. Below are the topics that will be studied throughout the interim.

- Property tax reform.
- Community support providers and state and federal efficiencies.
- Initial and reentry incarceration analysis and a comparison of relevant states.
- Establishing a liaison committee to monitor the impact of the potential closing of the United States Department of Education.

Click [here](#) to learn more about the South Dakota Legislative Executive Board.

Contact for Questions

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