



Policy Update

March 31st, 2023

VETO DAY

The 98th South Dakota Legislative Session concluded its work on March 27th with veto day. Veto day included debate on four bills: SB 108, SB 129, HB 1193, and HB 1209. The Legislature had previously taken up HB 1109 on March 7th. In South Dakota, the Legislature has the authority to override a Governor's veto with a two-thirds vote in both chambers. The Legislature did debate and vote on all five vetoed bills with each bill failing to override. SDFB was a watch on all five pieces of legislation.

LEGISLATIVE SESSION RECAP & STATE SALES TAX REDUCTION

Prior to veto day, the governor had threatened to veto the state budget bill (SB 210) and the state sales tax cut bill (HB 1137) if the legislature didn't pass the repeal of the grocery sales tax. One of SDFB's main priorities this session was to advocate for a fiscally responsible means of taxation at the local and state levels. Our members have always made it our mission to support sound and responsible tax policies that keep South Dakota a low tax state. That is why SDFB took part in the Coalition for Responsible Taxation and successfully defeated the repeal of the state's grocery sales tax. SDFB has opposed similar legislation since 1976 and our delegates reaffirmed our opposition to this tax policy in November of 2022. South Dakota taxpayers have always understood that a low, broad-based sales tax is how we avoid implementing an income tax. We're the second-lowest taxed state in the nation because of this responsible approach.

The Governor did sign the states \$7.4 billion budget and the state sales tax cut; however, the governor has promised to try to make the state sales tax cut permanent. Currently the cut is set to expire in 2027.

Overall, in accordance with the 2023 Legislative Focus Areas, Farm Bureau utilized our efforts to continue focus on protecting the property rights of South Dakota farmers and ranchers, to encourage reasonable limitations on foreign owned agricultural land, to continue implementation of the productivity-based system to ensure assessed valuations accurately reflect productivity, and to advocate for responsible means of taxation.

For more information on Legislative Session, check out SDFB's weekly updates [here](#) or to review previous legislative coverage, go to [sd.net](#).

LEGISLATIVE SUMMER STUDIES

The Legislature's Executive Board met this past Monday to explore summer study topics. Originally, lawmakers had presented 17 proposals to study over the summer. These topics ranged from nuclear energy to county funding. After consideration, the Executive Board moved to include two studies on the Legislators and Legislative Research Council's list for the summer. The first study is designed to help fund county governments and to see where the state can become a partner in the funding conversation. Representative Roger Chase from Huron and Senator Randy Deibert from Spearfish will lead the committee. Look for updates on this committee as SDFB will follow its progress throughout the summer months.

The second study include long-term care in South Dakota. Last year, nine nursing homes closed. As a result, the question of sustainability for South Dakota's nursing homes will be front and center of this committee. Senator Jean Hunhoff from Yankton and Representative Taylor Rehfeldt from Sioux Falls will lead the committee.

The Executive Board will meet in April to set the scope and direction for both committees. That meeting is scheduled for April 20th at 10 a.m. CT.

Contact for Questions

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