

Legislative Update – Week 7

Week seven marked a key point in legislative session: Crossover Day on Tuesday, which is when all bills must be out of their chamber of origin. In other words, it is when all the House bills must be out of the House and all the Senate bills must be out of the Senate. The House had 26 bills and the Senate had 8 Senate bills to act upon on the final day in the body of origin.

ACTION ALERT: Please Contact Your Representative and Tell Them to VOTE NO on SB 191

Earlier today, members were sent an Action Alert, with a request to contact your state Representatives on SB 191. This week on Wednesday, the Senate passed SB 191 which is a California-style property tax bill. While it may seem like a tax-saving measure, it mirrors a disastrous California policy that wrecked the state's housing market. Additionally, the Governor already has a bill designed to deliver property tax relief and SDFB is supporting it. Here's why SB 191 is bad for South Dakota and why you should urge your Representative to vote NO:

- 1. **SB 191 is Unfair** Like in California, nearly identical homes will be taxed differently simply because of when they were purchased.
- 2. **Tax Burden Shift** This bill shifts **\$42 million** in property taxes onto new homebuyers, farmers, ranchers, and business owners.
- 3. **Unconstitutional** South Dakota's constitution requires uniform taxation within property classes. SB 191 violates this principle by treating similar properties differently.

Act Now! Contact your Representative and urge them to VOTE NO on SB 191.

Bill Designed to Protect Farmers and Ranchers Dies in Committee

Multiple agriculture groups and the Department of Agriculture and Natural Resources unfortunately lost a bill in committee that would have created a safer environment for farmers and ranchers. Senate Bill 14 combined two related laws into one chapter of law dealing with "agriculture production facilities." It also adds penalties for using deception to gain access to or employment at an ag production facility with intent to cause physical or economic harm, or for knowingly placing or using a camera or electronic surveillance device to spy on an ag production facility while committing to criminal trespass. Additionally, the bill codified existing department policy on releasing an aggregated list of CAFOs to the public and cleaned up language regarding grand theft of livestock.

After committee discussion, practically everyone agreed that the bill is good, except for some consternation over Section 6. This is the part that codifies current DANR practice of not releasing an aggregated list of CAFO addresses, GPS locations, or legal descriptions. Instead of amending the bill to remove that section, the committee killed the bill on a 6-7 vote.

Medicaid Expansion Joint Resolution Moves Forward

SDFB supported House Joint Resolution 5001. HJR 5001 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 or at least have a conversation about the ability to pay for it. If approved by the Senate, the measure will be seen on the 2026 General Election ballot.

ADRDL Bond Payoff Amended

The Joint Committee on Appropriations amended SB 56 which is the Administration's proposal to use onetime 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. 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 in Brookings. 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. 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. The amendment to SB 56 ensures that the property tax relief dollars will revert back to agriculture in the year 2040: The year the bonds were originally supposed to be mature.

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 some of the bills that SDFB is supporting, watching, or opposing.

Supporting:

SB 216: Reduce the growth in the assessed value of owner-occupied property, limit increases in certain property tax revenues, revise provisions regarding school district excess tax levies, and revise eligibility requirements for a property tax assessment freeze.

Purpose: This bill is the Governor's property tax bill. The bill limits annual increases in assessed property values for the owner-occupied class, caps local government and school district budget growth, raises income limits for the property tax freeze program, and increases the maximum home value eligible for tax relief programs.

HB 1169: Modify the signature requirement for a petition to initiate a constitutional amendment. **Purpose:** This bill would require that before an amendment to the South Dakota Constitution is proposed to the voters, the signatures required to put the amendment on the ballot must have at least five percent of the total votes cast for Governor in each South Dakota senatorial district at the last gubernatorial election.

HB 1213: Increase the maximum amount allowable for the livestock ownership inspection fee and to declare an emergency.

Purpose: This bill would increase the brand inspection fee cap associated with livestock brand inspection from \$1 to \$1.35 per head inspected.

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

Opposed:

HB 1266: Attach the South Dakota State Brand Board to the Office of School and Public Lands. **Purpose:** This bill would move the State Brand Board to the Office of School and Public Lands for reporting purposes only.

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: <u>2025 South Dakota Bills</u>

Find contact information for the Legislators here: 2025 South Dakota Legislators