

The 9th and final week of the 2025 SD Legislative Session concluded on March 13 with the passage of the general appropriation bill. The first two days of the week were busy as both chambers had multiple bills for floor debate. The last two days included conference committees and final budget negotiations. Overall, despite major headwinds at times, agriculture prevailed in the end on a multitude of issues.

Veto day will be Monday, March 31.

Education Funding & Property Tax Levies

Senate Bill 55 is the state aid to education bill. It is one of the last bills to be acted on by the legislature every year. It sets the property tax levies to finance the 149 school districts in the state and revises the state aid formula. Most property owners have four or five levies on the assessed valuation of their property – school, county, township, or municipal are the most common. Added may be one or more of several other levies provided for in the law including capital outlay, opt-out for various local governments, fire district, water development, drainage, ambulance, etc.

The general school levy is determined each year by the legislature. All other levies are set by the local unit of government collecting the property taxes. This year the levy for general education decreased 6 percent for the 3 classes of property from last year's levy. Below is a history of the general education levies over the past 10 years. This results in less than half of the finances for the school districts. The remainder is contributed by the state.

	<u>2025</u>	<u>2020</u>	<u>2015</u>
Ag Land:	\$1.12	\$1.44	\$1.56
Owner Occupied:	\$2.51	\$3.22	\$4.75
Other:	\$5.21	\$6.68	\$8.72

The levy is multiplied by the assessed valuation measured in units of \$1,000 to determine the taxes payable. Add all the levies on a property together to determine total property taxes payable.

Raising Taxes to Lower Taxes, Shifting Taxes, and the Governor's Property Tax Bill

Monday was filled with property tax discussions as three bills were debated on the House floor: SB 169, SB 191, and SB 216. Of the three, only SB 216 was successful and signed into law.

SB 169:

Originally designed to require a public hearing before imposing an excess tax levy, SB 169 underwent a significant change through a hoghouse amendment on the House floor. The amendment transformed the bill into a proposal for a sales tax increase aimed at providing property tax relief. Under the amendment, revenue from increasing the state sales tax from 4.2% to 5% would be used to lower the general school fund levy and special education levy for homeowners to \$0.

After much debate, SB 169 ultimately failed with a 27-42 vote.

SB 191:

SDFB, along with other organizations, successfully defeated SB 191. Even though the bill was amended several times throughout the legislative process, SB 191 remained unworkable for the following reasons:

1. **Undermined Fairness in Property Taxes** – SB 191 would have disrupted South Dakota’s principle of uniform property tax assessments by allowing nearly identical homes to be taxed differently.
2. **Shifted the Tax Burden** – SB 191 would have reduced \$42 million in local effort for the school districts. This could have resulted in a shift to other taxpayers.
3. **Violated the State Constitution** – South Dakota’s constitution requires uniform taxation within property classes. SB 191 violated this principle by treating similar properties differently.

Thanks to SDFB’s grassroots efforts, the bill was decisively defeated on the House floor with a 62-7 vote.

Please [contact](#) your Representative and thank them for voting NO on 191!

SB 216 (The Governor’s Property Tax Bill):

SB 216 emerged from collaborative efforts by legislators to draft a workable bill aimed at slowing future property tax increases. The bill accomplishes the following:

- Limits annual increases in assessed property values for the owner-occupied class in a county to 3%, with exceptions for improvements or reclassification.
- Caps local government and school district budget growth from property taxes at 3%. Home improvements that increase value by less than 40% won’t count toward the growth limit.
- Raises income limits for the property tax freeze program—\$55,000 for single households and \$65,000 for multi-member households. Residency requirement increases from one year to five.
- Increases the maximum home value eligible for tax relief programs from \$300,000 to \$500,000.

Although the bill originally passed the House, a Representative changed her vote just before the gavel fell, causing the bill to fall short of the majority needed. After reconsideration and an amendment, the bill passed strongly with a 53-16 vote. SDFB supported the Governor’s bill and believes it offers a reasonable solution to a complex issue.

Additionally, the Legislature plans to continue discussing property tax issues into the summer.

Agriculture Facility Bill On Its Way to Governor’s Desk

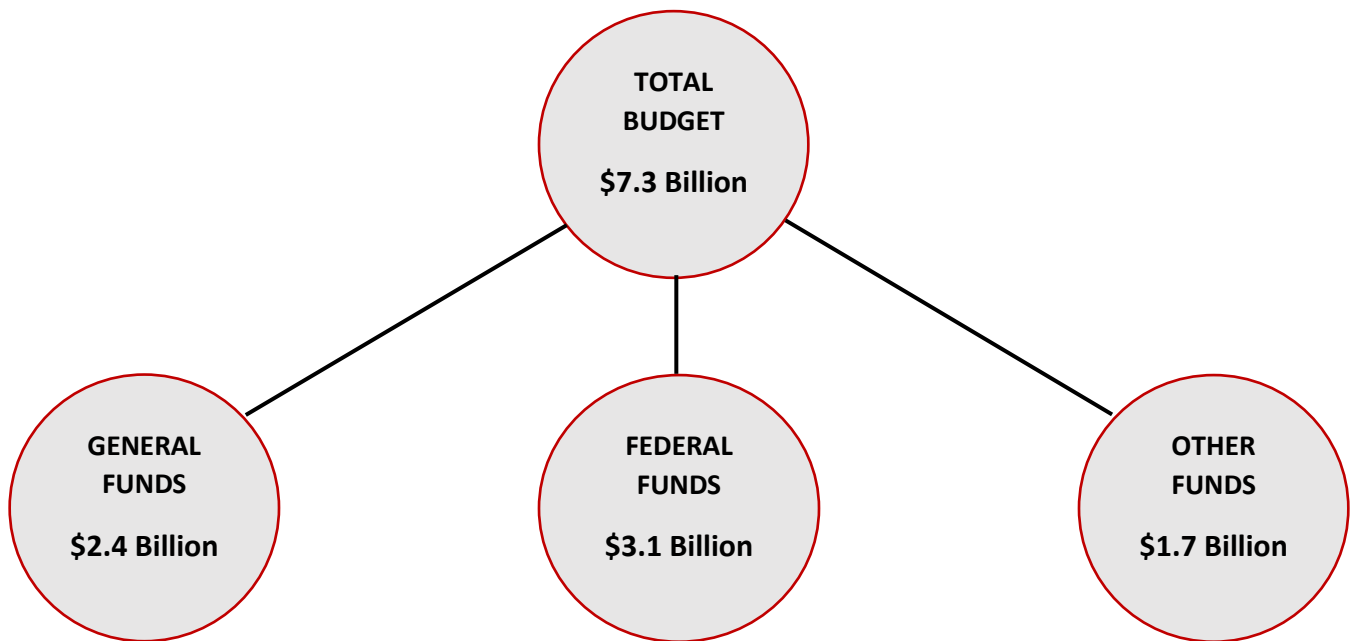
The last week of Session brought the final passage of SB 14. SB 14 was the result of agriculture groups working together to create a safer environment for farmers and ranchers. The bill combines two related laws into one chapter of law dealing with “agriculture production facilities.” It also adds penalties 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. The bill passed the House of Representatives on a 67-2 vote and was concurred in the Senate. Thank you to Senator Casey Crabtree and Representative Kent Roe for sponsoring the legislation!

SB 14 will now travel to the Governor’s desk for a signature.

GENERAL APPROPRIATION BILL

According to state law, the South Dakota Legislature must pass a balanced budget. The General Appropriation bill is usually the last bill to be voted on by both Chambers and goes to the Governor to be signed into law. This year, the budget to fund state government is comprised of nearly \$7.3 billion. This funding is derived from three sources: general, federal, and other funds. Additionally, South Dakota's reserves are well funded, and the state is in a strong position moving forward. Lastly, there were many cuts proposed to the budget and in the end by two-thirds vote, the decisions were sorted out. This Legislature also held fast to the long-standing rule that one-time dollars should not be built into on-going budgets but rather directed to one-time needs. Below is a breakdown of where the funds were sourced and how they contributed to the state budget.

Funding for Fiscal Year 2026 State Budget:



In summary, South Dakota Farm Bureau would like to thank all our members for their engagement and support during the 2025 Legislative Session. With your support, South Dakota Farm Bureau's legislative priorities were met. Additionally, we would like to thank both the House of Representatives and the Senate for their continued support for agriculture and for their investment in the future of South Dakota.

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](#)