

January 23, 2026

We have completed seven days of the 2026 legislative session. Committees began hearing bills last week and the pace is picking up. As of Thursday evening, there are 115 House bills and joint resolutions and 115 Senate bills and joint resolutions. We are tracking 61 bills, which can be found on our bill tracking list. At the end of today's Legislative Update is a list of upcoming Cracker Barrels. You are encouraged to attend and talk to your Legislator about SDFB policy priorities.

## **Property Taxes: Legislators are Trying to Eliminate Them and Remove Their Caps**

The 2026 Legislative Session is proving to be round two after last year of seeing just how many property tax bills can be dropped in the docket. This past week, SDFB opposed two property tax bills that would have hurt farmers and ranchers.

**SB 58** was successfully killed in the Senate Taxation Committee on Wednesday. The bill would have completely removed property taxes from the state. While at first glance one might think eliminating property taxes is a good idea, doing so would not only remove \$1.8 billion in revenue for local governments and schools, but also eliminate local control and transfer that authority to state government. In other words, if a school district wanted to build a new school, it would have to go to Pierre for approval instead of working through its local school board.

While South Dakota property taxpayers may not like paying their property tax bills, they do value having a voice in local decision-making. Additionally, SB 58 provided no alternative revenue source. This would have forced the Legislature to either increase the state sales tax rate to more than 10% or implement a state income tax.

**HB 1032** would have removed an important safeguard for South Dakota property owners. Current state law limits local government budget growth to 3% or inflation (whichever is less), plus growth. If a local government does not use all of its CPI allowance, it can bank unused capacity from the previous three years, with a total cap of 10%. HB 1032 would have eliminated both the three-year lookback and the 10% cap, allowing local governments to bank unused CPI indefinitely.

SDFB opposed the bill due to this indefinite banking provision. Had the bill become law, a local government could have accumulated unused CPI over time and applied it all in a single year. For example, if a local government banked just 1% annually for 30 years, its budget could increase by 30% in one year. SDFB, the SD Department of Revenue, and the SD Retailers Association were successful in defeating HB 1032.

## **Brand Inspection Fee Increase – HB 1020**

The House Agriculture and Natural Resources Committee heard HB 1020 on Thursday. SDFB supports this bill, which would increase the brand inspection fee cap associated with livestock brand inspection from \$1 to \$1.65 per head inspected. This bill is a product of an ad-hoc work group comprised of SDFB, SD Cattlemen's Association, SD Stockgrowers Association, SD Department of Agriculture and Natural Resources, and Livestock

Marketing Association. In testimony, it was explained that the existing brand inspection program is operating at a deficit and for the program to continue, a fee increase is necessary. It is also important to note that the increase is only associated with the fee cap. The actual fee must be increased in the Rules Review Committee and may be set at a different rate below the \$1.65. There were no opponents to the bill, and it passed out of committee on a 9-2 vote.

### **SB 38: CAFO Fee Increase**

**SB 38** made it out of the Senate on a 28-4 vote. SB 38 is the Department of Agriculture and Natural Resources fee increases to the existing Concentrated Animal Feeding Operations (CAFO) program. Before 2025, the current fees had not been changed since they were adopted 28 years prior and only covered approximately 5 percent of the total \$1.85 million cost of running the program. The agency'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.

### **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.

If you have any questions or comments, please contact the South Dakota Farm Bureau policy team.

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### **Helpful Links:**

[The SDFB Bill Tracker](#)  
[The SD Legislature full list of bills](#)  
[2026 SD Legislators Contact Information](#)

### **Upcoming Cracker Barrels**

#### **Aberdeen:**

In the Kessler's Champions Club in the Barnett Center on the NSU campus from 10 a.m. to 12 p.m.

- Saturday, February 7
- Saturday, February 21
- Saturday, March 7

#### **Belle Fourche:**

At Venue 519 from 1 to 3 p.m.

- Saturday, January 31

#### **Brandon:**

At Bethany Meadows Brandon Community Room from 9:30 to 10:30 a.m.

- Saturday, January 31

**Clear Lake:**

At the Community Center beginning at 9 a.m.

- Saturday, January 31

**Deadwood:**

In the Deadwood Gulch Convention Center beginning at 10 a.m.

- Saturday, February 28

**Dimock:**

At Leut Services Office (713 S. Main Street) beginning at 10 a.m.

- Saturday, February 21

**Highmore**

In the Hyde County Auditorium beginning at 10 a.m.

- Saturday, January 24

**Lennox**

At the Lennox American Legion Hall beginning at 9 a.m.

- Saturday, January 31

**Milbank:**

In the Visitor Center at the Community Room from 1 to 3 p.m.

- Saturday, February 14

**Mitchell:**

At the Chamber of Commerce building from 8 to 9 a.m.

- Friday, January 30

**Piedmont:**

Piedmont Valley American Legion Post from 1:30 to 4:00 p.m.

- Saturday, February 14

**Rapid City:**

In the Event Center at the Western Dakota Tech Event Center from 9 to 11 a.m.

- Saturday, January 31

**Redfield:**

At the C&NW Historic RR Museum from 1 to 3 p.m.

- Monday, February 16

**Sioux Falls:**

At HUB Auditorium on the Southeast Technical College campus from 10 to 11:30 a.m.

- Saturday, January 31
- Saturday, February 21

**Spearfish:**

In the Joy Center beginning at 10 a.m.

- Saturday, February 7

**Sturgis:**

At the Erskine Building from 9 to 11 a.m.

- Saturday, January 31
- Saturday, March 7

**Vermillion:**

At City Hall from 9 to 11 a.m.

- Saturday, January 31
- Saturday, February 28

**Watertown:**

At the Codington County Extension Complex in the Livestock Show Ring beginning at 8 a.m.

- Saturday, February 14

**White Lake:**

At White Lake High School beginning at 10 a.m.

- Saturday, February 14

**Yankton:**

In the City Commission Room at the CMTEA building beginning from 10 to 1 a.m.

- Saturday, January 31
- Saturday, February 21
- Saturday, March 7