

Draft Bill 50: A Grassland Tax Relief Bill

“Agricultural land may also be categorized as non-crop land, regardless of the soil classification of the land. If the elevation of the land is greater than one thousand nine hundred and fifty feet above sea level, it has been seeded to perennial vegetation for at least 20 years and used for animal grazing or left unharvested, or if the agricultural land is native grassland.”

What it does not do	What it does do
Not changing any current law, does not replace any pre-existing methods that are used to categorize land as cropland or noncropland	Provides ranchers an additional, efficient avenue to categorize their land as non-cropland
Not creating a new tax shift	This addresses inequities with Department of Revenue’s NEW assessment system, which, if implemented, will result in new tax increases for ranchers of 60%-280%
Not affecting school funding	Doesn’t affect current school funding as the NEW system proposed by DOR hasn’t been implemented yet.
Not raise taxes	This is to provide an alternative to the NEW tax assessment system that was conducted via artificial intelligence, resulting in rancher’s land being assessed by AI instead of what the land can or should conceivably be used for. (Conducted by Dr. Elliott at SDSU)
Does not create an unfair tax advantage for ranchers over farmers	Assessing on elevation and grassland is fair- it does not falsely inflate taxation to reflect hypothetical use instead of practical use
Does not change the productivity program.	Closes a loophole, a blind spot, that causes some agland to be assessed on a basis that is divorced from productivity.
	Streamlines the assessment system to two factors, elevation, and keeping land that has been used as grassland for the past twenty years as grassland and not have any portion reassessed as cropland
	Holds the Department of Revenue accountable for unkept promises to fix the broken assessment system for the past twelve years
	Supports agriculture and our South Dakota ranchers
	Mirrors the assessment success in Nebraska by including elevation
	Prevents rancher’s taxes from increasing 60% to 280%
	Saves assessors, the Department of Revenue, and Directors of Equalization time and alleviates their workload and lack of adequate staff
	Makes taxation equitable

	Helps keep South Dakota ranchers in business
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