

# **State of South Dakota Property Tax Assessments Statutes**

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## **Basis for Property Tax Assessments – Market Value**

Taxes are assessed on a property's true and full value (SDCL Sec. 10-6-33). True and full value is the usual cash selling price at the place where the property to which the term is applied is situated at the time of assessment (SDCL Sec. 10-6-1). It is the amount received in a competitive and open market under all conditions requisite to a fair sale between a willing buyer and a willing seller, each acting prudently and with full knowledge of the relevant facts, and assuming the price is not affected by any undue stimulus (SDCL Sec. 10-6-1.3).

## **Real Property Defined**

Real property includes the following (SDCL Sec. 10-4-2): — Land and all rights and privileges belonging to it; — Improvements to land consisting of items permanently affixed to and becoming part of the real estate. The term “permanently affixed refers to the economic life of the improvement rather than perpetuity; — Mines, minerals, and quarries; — Buildings and structures that are on foundations and improvements to buildings and structures including any heating system, air conditioning, ventilation, sanitation, lighting, or plumbing that is part of the building or structure; and— Mobile homes that are on foundations. The South Dakota Supreme Court has developed the following three-part test for excluding property from being classified as real property: (1) the items must not be constructed as integral parts of the facility; (2) they must not be essential for the support of the facility; and (3) they must be capable of removal without materially limiting or restricting the use of the facility (National Food Corp. v. Aurora County Board of Commissioners, SD Sct, No. 18800, 8/23/95; CCH SOUTH DAKOTA TAX REPORTS, ¶ 200-619).

## **Personal Property Defined**

Personal property is all property that is not included within the definition of real property (SDCL Sec. 10-4-2.2).

## **Intangible Property Taxes**

Intangibles are included in the taxation of centrally assessed personal property (SDCL Sec. 10-4-6.1).

