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## How Property Taxes are Calculated

### 1. Establishing the Value of the Property

The first step is to establish the full and true value of all property within the boundaries of each unit of government. State statutes require property to be assessed at its market (or full and true) value. Market value is the amount the property would probably sell for if sold on the open market.

### 2. Determine the Taxable Value of the Property

All property is to be assessed at full and true value. Then the property is equalized to 85% for property tax purposes. If the county is at 100% of full and true value, then the equalization factor (the number to get to 85% of taxable value) would be .85. For example: A home with a full and true value of \$230,000 has a taxable value (\$230,000 multiplied by .85) of \$195,500.

### 3. Determine the Tax Levy for All Taxing Jurisdictions Which can Tax Properties

The third step is to determine the amount of taxes needed to meet the costs of operating a unit of government. The higher the cost of operating the city or school district, the larger the revenues required from property taxes. Revenues from property taxes, combined with other monies such as federal grants, must equal the size of the budget of the unit of government. The amount of property taxes a taxing entity can ask for is limited based on the Property Tax Reduction Act. The tax rate for all property in a local unit of government is arrived at by dividing the value of all the property into the amount of the budget that is unfunded from other sources. This calculation results in a tax rate expressed in dollars of property value, or "dollars per thousand". For example: if the taxable value within a city is \$10,000,000 and the city has a tax levy request of \$100,000, the tax levy is \$10 per thousand.

### 4. Taxes are Computed for Individual Properties

The final step is to apply the tax rate calculated in step three to individual properties. For example, using a tax levy of \$10 per thousand from the example above, the tax on a home with a taxable value of \$200,000 would be calculated at  $\$10 \times 200$  or a tax of \$2,000.



***FALL RIVER COUNTY COMMISSIONERS***  
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February 6, 2024

The Honorable Senator Jim Stalzer  
 Senate Taxation Committee Chairman  
 500 E. Capitol Ave.  
 Pierre, SD 57501

Re: Senate Joint Resolution 505

Dear Chairman Stalzer:

Fall River County extends our most sincere appreciation to Senator Julie Frye-Mueller for introducing SJR 505 during the 2024 Legislative Session. Her dedication to her constituents in Fall River County is consistently above and beyond the call of duty.

SJR 505 is a prime example of that dedication. Fall River County fully supports capping property tax assessments, as we have repeatedly requested that the Legislature and the Governor make significant property tax reforms to bring stability, fairness and certainty to the property tax system. South Dakota's property tax scheme is unfair, unequal and harms South Dakota's economy. Poor, harmful economic policies are not isolated to Washington, D.C. Pierre is also harming the people of Fall River County. There are multiple examples of the War on the West.

For example, school districts in Fall River County have a disproportionate amount of non-taxable, Federal Land, necessitating an enormous tax shift onto lands that can be taxed. The state government then requires the local districts to implement the maximum levy in order to receive state school aid to our economically depressed school districts. The maximum levy, coupled with a property tax system that has increased the valuations in Fall River County well more than 25 percent in a few short years, exacerbates the other inflationary pressures facing our rural and economically depressed areas.

Fall River County contains 237,000 acres of National Grasslands that were bought by the Federal Government in the 1930's to end the dust bowl. These lands were then returned to grassland agriculture, thus eliminating farming of these submarginal lands. **Today, the South Dakota Department of Revenue classifies land adjoining these National Grasslands with similar soils as cropland for the purposes of "highest and best use" and taxes these lands as the much higher assessed cropland. Fall River County believes that the highest and best use of these submarginal lands is grassland agriculture, and that the State of South Dakota should not be encouraging the farming of lands that cannot be ecologically and economically farmed.**

Quite frankly, Fall River County is beyond despondent that such an inequity is flagrantly and unashamedly imposed on the some of the most economically depressed areas of South Dakota. The Legislature and the Governor have knowingly allowed this punitive and regressive scheme to be implemented in spite of the fact that South Dakota State University's Doctor Matthew Elliott conducted a study for the Legislature that recommended that financial feasibility be incorporated into a most probable use method in order to ameliorate the inherent unfairness of the current property tax scheme. Elliott's study found that this reform would likely result in \$6 billion in assessment reductions in these economically challenged areas of the state.

Fall River County respectfully requests that the Senate Taxation Committee adopt Senate Joint Resolution 505 to give the people of the State of South Dakota an opportunity to debate and potentially remedy the out of control assessments being experienced by property taxpayers across the State of South Dakota. Like so many failures of the Federal Government to protect the people of these United States, the South Dakota Legislature is implored by the Fall River County Commission to do something rather than nothing to support the people of South Dakota during these challenging and treacherous times.

Sincerely and respectfully,

*Joe Falkenburg*

Joe Falkenburg, Chairman

#### Property Tax - Who Paid

Year Taxes Payable	Agricultural	% Of Total	Owner-Occupied	% Of Total	Commercial	% Of Total	Utilities	% Of Total	Special Assessments	% Of Total	TOTAL
2014	286,177,332	25.45	444,727,084	39.55	346,978,590	30.86	27,320,189	2.43	19,323,088	1.72	1,124,526,283
2015	313,174,676	26.32	462,029,557	38.83	363,467,432	30.54	28,251,171	2.37	23,070,108	1.94	1,189,992,944
2016	345,426,962	27.60	481,760,248	38.49	371,483,979	29.68	28,562,138	2.28	24,383,785	1.95	1,251,617,112
2017	354,621,162	28.12	482,519,548	38.26	376,062,906	29.82	28,312,412	2.25	19,486,950	1.55	1,261,002,979
2018	361,302,073	27.83	502,290,098	38.70	376,483,975	29.00	33,553,019	2.58	24,416,213	1.88	1,298,045,378
2019	371,142,707	26.96	538,037,388	39.09	404,346,700	29.38	36,362,901	2.64	26,599,147	1.93	1,376,488,843
2020	375,178,898	26.08	570,688,126	39.67	427,624,967	29.72	37,578,156	2.61	27,650,521	1.92	1,438,720,668
2021	371,416,537	24.89	601,883,810	40.33	449,923,645	30.15	39,129,139	2.62	29,866,713	2.00	1,492,219,844
2022	361,494,705	23.59	635,106,660	41.44	464,788,134	30.33	39,685,883	2.59	31,388,188	2.05	1,532,463,570
2023	365,459,648	22.08	707,987,255	42.78	509,546,122	30.79	39,116,396	2.36	32,782,536	1.98	1,654,891,957

2024 South Dakota Legislature

## Senate Joint Resolution 505

**AMENDMENT SJR505A**  
**FOR THE INTRODUCED RESOLUTION**

1 **A JOINT RESOLUTION, Proposing and submitting to the voters at the next general**  
2 **election an amendment to the Constitution of the State of South Dakota,**  
3 **limiting the assessed value of real property and the amount of tax on real**  
4 **property.**

5 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

6 **Section 1.** That at the next general election held in the state, the following amendment to  
7 Article XI of the Constitution of the State of South Dakota, as set forth in section 2 of this  
8 Joint Resolution, which is hereby agreed to, shall be submitted to the electors of the state for  
9 approval.

10 **Section 2. That Article XI, § 2 of the Constitution of the State of South Dakota, be**  
11 **AMENDED:**

12 **§ 2.** To the end that the burden of taxation may be equitable upon all property,  
13 and in order that no property which is made subject to taxation shall escape, the  
14 Legislature is empowered to divide all property including moneys and credits as well as  
15 physical property into classes and to determine what class or classes of property shall be  
16 subject to taxation and what property, if any, shall not be subject to taxation. Taxes shall  
17 be uniform on all property of the same class, and shall be levied and collected for public  
18 purposes only. Taxes may be imposed upon any and all property including privileges,  
19 franchises and licenses to do business in the state. Gross earnings and net incomes may  
20 be considered in taxing any and all property, and the valuation of property for taxation  
21 purposes shall never exceed the actual value thereof. The Legislature is empowered to  
22 impose taxes upon incomes and occupations, and taxes upon incomes may be graduated  
23 and progressive and reasonable exemptions may be provided.

24 For purposes of taxation on real property, the assessed value of a property may  
25 not increase more than one percent annually. The base amount for the valuation of each



## Homeownership And The American Dream

SHARE

The dream of home ownership is slipping away for many Americans with high mortgage rates, rising prices, and stagnant income. To make matters worse, venture capital firms and hedge funds are buying up single-family homes by the millions. As home ownership costs rise beyond reach, rents follow them into the stratosphere.

### Consider these statistics:

1. American homeownership is declining at the highest rate since the great depression.
2. We lost more than 1 million homeowners in 2021 — more than in the housing crash of 2008 — and then another million in 2022.
3. The median home price has risen from \$250,000 in 2019 to \$400,000 in 2023.
4. Mortgage interest rates have more than doubled since President Biden took office.
5. This rise in interest rates combined with skyrocketing housing prices has pushed the average monthly payment for someone buying a home from \$1,050 in 2019 to over \$2,600 per month.
6. At the same time, take-home pay after inflation and taxes has fallen by 9%.
7. At the current pace, by 2030 60% of single-family homes will be owned by corporations.

What this means is that home ownership is now out of reach for all but the top income bracket. Younger Americans in particular barely dream of ever owning a home. They face a future at the mercy of faceless corporate landlords who will raise rent to the highest level the market will bear.

None of this is inevitable, though. As President, RFK Jr. will enact a series of policies to put home ownership back within the reach of working families. Here's how:

1. **Tax-free 3% government-backed mortgage bonds, to bring the mortgage interest rate back to 2019 levels and even lower.** It's like having a rich uncle — Uncle Sam — who is willing to cosign your mortgage. Because the financing will come from investors, the cost to taxpayers will be minimal. This measure alone will reduce monthly costs for the average home purchase by \$1,000.
2. **Bring derelict land and buildings back online.** Many cities have thousands of vacant lots and buildings that have been seized for tax arrears or other reasons. The Kennedy administration will incentivize local governments to bring city-owned land and buildings back onto the market.
3. **Zoning changes.** We will encourage municipalities to change zoning laws to allow ancillary dwelling units (granny flats) on more properties, to make housing available, bring families together, and provide homeowners with rental income. More supply means lower prices.
4. **Tax code changes.** Small changes to the tax code can make corporate investments in single-family homes uneconomic. For example, we can change business depreciation rules and reform the "enterprise zones" that have contributed so much to gentrification.

Together, these changes will restore home ownership to tens of millions of Americans, and lower costs for tens of millions more. We will get large corporations out of the single-family home business.

**FULL TEXT OF THE MEASURE**

IF MATERIAL IS UNDERSCORED, IT IS NEW MATERIAL WHICH IS BEING ADDED. IF MATERIAL IS OVERSTRUCK BY DASHES, THE MATERIAL IS BEING DELETED. IF MATERIAL IS NOT UNDERSCORED OR OVERSTRUCK, THE MATERIAL IS EXISTING LAW THAT IS NOT BEING CHANGED

**BE IT ENACTED BY THE PEOPLE OF THE STATE OF NORTH DAKOTA:**

**SECTION 1. AMENDMENT.** Section 1 of article X of the Constitution of North Dakota is amended and reenacted as follows:

**Section 1.**

1. Except as provided in subsection 2, the legislative assembly and all political subdivisions may not raise ~~shall be prohibited from raising revenue to defray the expenses of the state~~ through the levying of any tax on the assessed value of real or personal property.
2. A political subdivision may continue to levy tax on the assessed value of real property if the tax was dedicated for the payment of bonded indebtedness incurred before the end of the thirty-day period following the date this amendment was approved by the voters, until such debt is paid.
3. The state shall provide annual property tax revenue replacement payments to political subdivisions in an amount equal to no less than the amount of tax levied on real property by the political subdivisions, excluding tax levied on real property for the payment of bonded indebtedness, during the calendar year in which this amendment was approved by the voters.

**SECTION 2. AMENDMENT.** Section 14 of article X of the Constitution of North Dakota is amended and reenacted as follows:

**Section 14.**

1. Notwithstanding any other provision in the constitution, and for the purpose of promoting the economic growth of the state, the development of its natural resources, and the prosperity and welfare of its people, the state may issue bonds and use the proceeds ~~thereof~~ from the bonds to make loans to privately or cooperatively owned enterprises to plan, construct, acquire, equip, improve, and extend facilities for converting natural resources into power and generating and transmitting such power, and to acquire real and personal property and water and mineral rights needed for such facilities.
2. The state may issue general obligation bonds for this purpose to an amount ~~which that~~, with all outstanding general obligation bonds, less the amount of all money on hand and taxes in process of collection which are appropriated for their payment, will not exceed five percent of the full and true value of all of the ~~taxable real~~ real property in the state, to be ascertained by the last assessment made for state and county purposes: ~~but nothing herein shall~~. The provision does not increase or diminish the limitations established by other provisions of the constitution on the amount of bonds therein authorized to be issued.
3. The state may also issue revenue bonds for the purpose of providing part or all of the funds required for any project undertaken under subsection 1, payable solely from sums realized from payments of principal and interest on money loaned for such project, and from other similar projects if so determined by the ~~legislature~~ legislative assembly, and from the liquidation of security given for such payments. Revenue bonds issued for any project ~~shall~~ may not exceed the cost ~~thereof~~ of the project, including all expenses reasonably incurred to complete and finance the project, but ~~shall~~ may not be subject to any other limitation of amount.
4. The full faith and credit of the state ~~shall~~ must be pledged for the prompt and full payment of all bonds issued under subsection 2. Its obligation with respect to bonds issued under subsection 3 ~~shall~~ must be limited to the prompt and full performance of such covenants as the ~~legislature~~ legislative assembly may authorize to be made respecting the enforcing of the provisions of underlying loan agreements and the segregation, accounting, and application of bond proceeds and of loan payments and other security pledged for the payment of the bonds. All bonds authorized by subsections 1 to 3, inclusive, ~~shall~~ must



mature within forty years from their respective dates of issue, but may be refunded at or before maturity in such manner and for such term and upon such conditions as the ~~legislature~~legislative assembly may direct. Any such bonds may, but need not be, secured by mortgage upon real or personal property acquired with the proceeds of the same or any other issue of general obligation or revenue bonds, or upon other property mortgaged by the debtor. Pledges of revenues and mortgages of property securing bonds of any issue may be prior or subordinate to or on a parity with pledges and mortgages securing any other issue of general obligation or revenue bonds, as determined by the ~~legislature~~legislative assembly from time to time in conformity with any provisions made for the security of outstanding bonds.

5. The ~~legislature~~legislative assembly shall pass such laws as are appropriate to implement this amendment.
6. If any subsection of this amendment, or any part of a subsection, or any application thereof to particular circumstances should be held invalid for any reason, such invalidity ~~shall~~may not affect the validity of all remaining provisions of this amendment which may be given effect without that which is declared invalid, as applied to any circumstances and for this purpose all subsections and parts of subsections and applications thereof are declared to be severable.

**SECTION 3. AMENDMENT.** Section 15 of article X of the Constitution of North Dakota is amended and reenacted as follows:

**Section 15.** The debt of any county, township, city, ~~town~~, school district, or any other political subdivision, ~~shall never~~ may exceed ~~five per centum~~two and one-half percent upon the ~~assessed~~full and true value of the ~~taxable~~real property therein; provided that any incorporated city may, by a two-thirds vote, ~~may~~ increase such indebtedness ~~three per centum~~one and one-half percent on such ~~assessed~~full and true value beyond ~~said five per centum~~the two and one-half percent limit, and a school district, by a majority vote may increase such indebtedness ~~five~~two and one-half percent on such ~~assessed~~full and true value beyond ~~said five per centum~~the two and one-half percent limit; provided also that any county or city by a majority vote may issue bonds upon any revenue-producing utility owned by such county or city, or for the purchasing or acquiring the same or building or establishment thereof, in amounts not exceeding the physical value of such utility, industry or enterprise.

In estimating the indebtedness which a city, county, township, school district, or any other political subdivision may incur, the entire amount, exclusive of the bonds upon said revenue-producing utilities, whether contracted prior or subsequent to the adoption of this constitution, ~~shall~~must be included; provided further that any incorporated city may become indebted in any amount not exceeding ~~four per centum~~two percent of such ~~assessed~~full and true value without regard to the existing indebtedness of such city for the purpose of constructing or purchasing waterworks for furnishing a supply of water to the inhabitants of such city, or for the purpose of constructing sewers, and for no other purposes whatever. All bonds and obligations in excess of the amount of indebtedness permitted by this constitution, given by any city, county, township, ~~town~~, school district, or any other political subdivision shall be void.

**SECTION 4. AMENDMENT.** Section 16 of article X of the Constitution of North Dakota is amended and reenacted as follows:

**Section 16.** Any city, county, township, ~~town~~, school district, or any other political subdivision incurring indebtedness shall, at or before the time of so doing, provide for ~~the collection of an annual tax~~revenues sufficient to pay the interest and also the principal thereof when due, and all laws or ordinances providing for the payment of the interest or principal of any debt ~~shall bear~~irrepealable until such debt be paid. A political subdivision may not issue general obligation bonds secured with tax levied on the assessed value of property on or after the effective date of this amendment.

**SECTION 5. REPEAL.** Sections 4, 5, 7, 9, and 10 of article X of the Constitution of North Dakota are repealed.

**SECTION 6. EFFECTIVE DATE.** If approved by the voters, sections 1, 2, 3, and 5 of this measure become effective on January 1, 2025.

## END UNFAIR PROPERTY TAX

### Your Need to Know Guide on North Dakota's Property Tax

In this 6 part series, Dr. Rick Becker lays out the case for eliminating the property tax here in North Dakota. The measure, common questions, budgets, and more, all covered here.

## THE MEASURE TO END PROPERTY TAX

**QUESTION:**



**WHAT IS THE AMOUNT  
NEEDED TO REPLACE  
PROPERTY TAXES?**



**ANSWER:**

THE STATE REPORTS \$1.5 BILLION PER YEAR IN THE GENERAL CATEGORY OF PROPERTY TAXES. \$340 MILLION OF THAT IS BONDED DEBT, ASSESSMENTS, AND SPECIAL TAXES THAT THIS MEASURE DOES NOT INTEND TO REPLACE. **THE AMOUNT TO BE REPLACED IS \$1.16 BILLION PER YEAR.**

[LEGISLATIVE MEMORANDUM WITH MORE INFO](#)

*(Click Here)*

**QUESTION:**



**IS THERE ENOUGH MONEY TO  
COVER THIS - ARE WE REALLY  
OVERSPENDING THAT MUCH?**



**ANSWER:**

**YES! EVERY WAY YOU LOOK  
AT IT, THE STATE IS  
OVERSPENDING MORE THAN  
\$2 BILLION PER YEAR.**

[THREE WAYS TO CALCULATE OVERSPENDING](#)

*(Click Here)*

**QUESTION:**



**SO THE STATE OVERSPENDS BY \$2.5  
BILLION PER YEAR, AND WE ONLY NEED  
\$1 BILLION PER YEAR TO REPLACE THE  
CURRENT PROPERTY TAX.  
WHERE DO WE GET THAT \$1 BILLION?**



**ANSWER:**

THE LEGISLATURE WILL HAVE A VARIETY OF OPTIONS TO CHOOSE FROM TO FUND THE REPLACEMENT OF PROPERTY TAX. BELOW ARE \$2B WORTH OF SUGGESTIONS FROM WHICH THEY CAN CHOOSE THE \$1B NEEDED TO REPLACE.

[\\$81M UNNEEDED PROPERTY TAX CREDITS](#)

[\\$165M CUT NON-FEDERAL BUDGET 2.5%](#)

[\\$115M OPERATION PRAIRIE DOG](#)

[\\$540M LIMIT ONE-TIME SPENDING PROJECTS](#)

[\\$200M LEGACY FUND EARNINGS](#)

[\\$500M ANNUAL EXCESS REVENUE THIS BIENNium](#)

[\\$750M PORK & CORPORATE WELFARE](#) *(Click to Learn More)*

**YES! THE STATE CAN AND SHOULD USE ITS EXCESS MONEY TO FINALLY PROVIDE  
MAJOR TAX RELIEF TO ALL NORTH DAKOTANS BY REPLACING THE PROPERTY TAX.**



# MINUTES

## Study Committee on Property Tax Structure and Tax Burden

Representative Trish Ladner, Chair

Senator Mary Duvall, Vice Chair



Third Meeting, 2022 Interim

Thursday, October 20, 2022

Room 362 – State Capitol

Pierre, South Dakota

The third interim meeting of the Study Committee on Property Tax Structure and Tax Burden was called to order by Representative Trish Ladner at 9:00 a.m. (CDT) on Thursday, October 20, 2022, via electronic conference and in Room 362 of the State Capitol, Pierre, South Dakota.

A quorum was determined with the following members answering roll call: Representatives Kirk Chaffee (remote), Mike Derby, Tim Goodwin, Lance Koth (remote), Trish Ladner, Chair, Oren Lesmeister (remote), and Larry Tidemann (remote); and Senators Gary Cammack, Jessica Castleberry (remote), Casey Crabtree, Mary Duvall, Vice Chair, Jack Kolbeck, Reynold Nesiba (remote), and Larry Zikmund (remote). Representative Mike Weisgram was excused.

Staff members present included William Steward, Research Analyst; Carter Dykstra, Fiscal Analyst; and Kaitlyn Baucom, Administrative Specialist.

*NOTE: For the purpose of continuity, the following minutes are not necessarily in chronological order. Also, all referenced documents distributed at the meeting are attached to the original minutes on file in the Legislative Research Council office. This meeting was web cast live. The archived web cast is available on the LRC website at [sdlegislature.gov](http://sdlegislature.gov).*

### Opening Remarks

Representative Ladner welcomed everyone to the third committee meeting.

### Proposed Draft Legislation Draft Bill 110

Representative Derby presented [Draft Bill 110](#). He shared that while campaigning, one of the main topics and concerning issues, especially in Western South Dakota, was property tax relief. Representative Derby added owner-occupied tax cuts would go entirely to South Dakota residents, and that because they did not know the budget yet, this tax cut would be scalable based on what they could afford relative to other obligations. As a bottom-up tax cut rather than a proportional cut, he said it would exempt the first dollars of valuation from taxing, and South Dakotans with smaller homes would get a bigger percentage tax cut. He estimated they would be in the 70-90 million dollars range with the property tax cut.

Senator Kolbeck asked if there was flexibility in the bill for appropriators to adjust the bill amounts depending on the budget so they could still meet their obligations to school districts. Representative Derby said it could be amended at any time by the appropriations committee based on the budget, but the draft was a starting point for discussion.

Senator Nesiba commented one way to make school districts whole would be to use general funds or increase mill rates.

### Public Testimony on Draft Bill 110

**Mr. Mike Houdyshell, Secretary, Department of Revenue (DOR),** said DOR also had a lot of logistical questions about how it would work. He said property taxes are essentially paid a year in arrears and for the 2022 tax year, those were taxes payable in 2020. He said because of that, when the Legislature was looking at setting general fund levies, they were actually projecting two years ahead. He said looking at valuations and how they will change is a balancing act to try not to overestimate how much valuation growth in real property there will be across the state, but also not undervalue it.

Mr. Houdyshell said the Department of Education had talked in the first meeting about how the state aid formula works, but it was essentially a glass analogy. He stated filling the glass was the total need for the school general fund for all districts across the state, and if local effort was reduced by reducing owner-occupied property by \$100,000, there were three ways to still fill that cup to meet need. That money could come through the state aid formula with state dollars going into the formula to make schools whole, or by adjusting the levies to essentially spread the local effort burden among other classes of property to meet districts' total need, or by using both. Mr. Houdyshell stressed there were a lot of moving pieces that needed to be worked through to implement this proposal to make sure they were still getting the money they needed to operate schools.

**Mr. Nathan Sanderson, Executive Director, South Dakota Retailers Association,** said if they made adjustments to property taxes there were only a finite number of options to make up the difference to make sure school districts remained whole. The first would be reducing dollars coming from property taxes going to schools. He said the intent would be to replace those dollars with state general funds, but that was not currently in the bill as drafted and they would need to have a funding mechanism elsewhere and levies would need adjusted to address it. If they did intend to backfill with general fund dollars, he stated there would need to be an appropriations bill.

Mr. Sanderson said they liked the concept and wanted to continue the conversation, but were concerned about a shift to agricultural and other property classifications if they changed owner-occupied. He said with this bill, owner-occupied would pay less and in theory agricultural and other property classifications would go up, so they wanted to see something in the bill to hold those relative levy amounts harmless. Mr. Sanderson said they could do that by backfilling with general funds, and if that was the intent and they could amend the language of the bill to do that, they were for reducing taxes on taxpayers to the extent they could.

**Ms. Lea Anne McWhorter, Custer County,** said they had talked about something similar to a cut to assessed values in their own committee. She stressed that on the western side of the state that would be a significant amount to many people, and they thought the impact to schools would be minimal because they were almost fully funding their own schools in their counties and getting little or no state aid. She asked for some clarification on whether it would affect the additional school budgeting on top of the school budget, the percentage that included capital outlay, special education, and other projects, or just the strictly state-set mill levy.

Representative Derby responded it would just be the school levy portion of that with the intent everyone would be held harmless, with the intent to backfill that 70-90 million dollars with general funds.

### Committee Discussion on Draft Bill 110

Representative Goodwin agreed it was one of the biggest issues for homeowners in South Dakota and he appreciated the draft being brought forward. He said one thing to consider would be the tax shift, and it was great if the economy was growing enough to support it, but he would still like to work towards eliminating property tax all together. Representative Goodwin said the purpose of the committee was to address property tax and he did not want to see them defer the issue down the road, and if the bill needed to be updated they could amend it when it went before the Legislature.

Senator Duvall shared she had a concern with the timing since assessments had to be finalized in November for taxes payable year and a half later, and was not sure how nimble appropriations timing could be since trying to make adjustments in January might not work. Senator Duvall said she liked the concept but did not feel it was ready for prime time yet and would reluctantly vote no, but hoped they would keep working on it.

Senator Cammack agreed it was a start to the conversation but also shared concerns about the shift in property tax structure to agricultural and commercial property tax. He said he understood the intent to have it set up so that if the South Dakota economy was doing well they had the opportunity to put general fund dollars towards supporting schools, but it needed polishing. He said that if the bill came before him as it was he would vote no, but he would like to see changes to make it workable and have the opportunity to move things forward.

Representative Koth said a concern of his was that this would only help homeowners while non homeowners continued to pay increased real estate taxes indirectly through rents, and it would be nice to incorporate something to help those non homeowners as well.

Senator Nesiba said he was glad the idea had been brought forward but he would like to avoid the tax shift from property taxes to sales taxes and would be voting no. He said if the bill was explicitly limited to only effect owner-occupied taxes, and the levy would be increased on property taxes above that 100,000 dollars to keep within the state aid formula, he could support the bill, but it was not there yet although compromise was possible.

Senator Crabtree said it was a great starting point but there was still work to be done and they needed to work more with DOR and others to make sure the concept worked in the way they wanted it to. He said it had been done before and something similar was used when the teacher pay increase came along and there was a property tax decrease with it, so they were not reinventing the wheel legislatively. Senator Crabtree stated while it needed work, he wanted to make sure the ball was not dropped and they figured out a way to keep moving it forward and make sure the property tax committee was supportive of the final piece.

***A motion was made by Representative Derby, seconded by Representative Goodwin, to submit Draft Bill 110 as draft legislation with a committee recommendation. The motion prevailed on a roll call vote with 10 members voting AYE, 3 members voting NAY, and 2 members EXCUSED. Those voting AYE: Derby, Goodwin, Koth, Ladner, Lesmeister, Cammack, Castleberry, Crabtree, Kolbeck, and Zikmund. Voting NAY: Tidemann, Nesiba, and Duvall. EXCUSED: Chaffee and Weisgram.***

#### **Proposed Draft Legislation Draft Bill 111**

Will Steward presented on [Draft Bill 111](#) and explained it moved the existing homestead exemption to a new chapter and updated the income requirements and indexed them to inflation to match other income schedules that existed for different property tax relief programs. He stated it was not creating any new property tax relief programs, just adjusting the income schedules of pre-existing statutes, and transferring existing property tax relief programs to a new portion of the code.

Senator Nesiba asked the last time those income schedules were updated, and if the bill caught up the homestead exemption to other property tax programs like the one for the elderly and disabled to make them consistent. Mr. Steward responded that the last time the income schedules for a particular property tax relief program were amended was in 1992 and 1998, and that those were some of the income schedules updated in the bill.

#### **Public Testimony on Draft Bill 111**

**Mr. Nathan Sanderson, Executive Director, South Dakota Retailers Association**, said that it was a generally good idea and philosophically in line with what they had done a number of times in the past, but was not sure without a fiscal note what it might actually cost.

### Committee Discussion on Draft Bill 111

Representative Goodwin said he thought it was the wrong way to go about things and cautioned against going forward with it and thought they needed a fiscal note before proceeding.

Senator Nesiba stressed that the program had been on the books for decades and the bill was not making any fundamental change in policy, just putting things in the same place in the code and putting an inflation factor on so they would not have to adjust inflation amounts for people to qualify every year. Senator Nesiba said he did support the bill and appreciated everything being put in one place in the code. He said however he had a concern that the amounts still remained really conservative and it was hard to qualify to get that property tax relief, and he would like to see that addressed.

Senator Duvall said they had heard concerns about taxing people out of their homes, and that was why the homestead exemption was put in code many years ago. She added South Dakota has had a homestead exemption since 1862, so it even predated statehood. She stated the bill just moves the homestead exemption into the property tax section of code to make it easier for the public and directors of equalization to find by having the property tax relief programs together in one spot. Senator Duvall said as far as indexing income schedules, that was something the Legislature had a duty to pay attention to, and the bill was an honest attempt to clean up code and keep from taxing people out of their homes.

Representative Lesmeister said while it was good to be cautious, they had time before session to get a fiscal note if needed or to make other tweaks, and they should move it forward and see what could be worked out.

Representative Derby said this draft would also go to the Executive Board and there would be opportunity to amend it or generate a fiscal note if they wanted to.

Senator Kolbeck said if it came before appropriations and there was money attached to it, a fiscal note was usually asked for and they might want to have one attached before it went to the floors during Session since it involved money.

Representative Tidemann said the House taxation committee recommended that this bill be brought forward to put together all of the different programs that offer a reduction in property tax and he highly recommended it go forward. He added one thing to remember when a bill went forward with a dollar amount in it was that it did not need a fiscal note because the fiscal note was the dollars being requested.

Representative Ladner requested a fiscal note for the bill.

***A motion was made by Representative Duvall, seconded by Senator Kolbeck, to submit Draft Bill 111 as draft legislation with a committee recommendation. The motion passed unanimously on a roll call vote.***

### Public Testimony

**Ms. Tyler Klatt, Assistant Commission Administrative Officer, Minnehaha County**, stated that property taxes are a significant if not the most important part of a county's budget, and he had done a lot of research on the topic and found that a lot of other states had their equivalent of the Department of Legislative Audit or Bureau of Finance and Management run a fiscal stress test on their counties and cities. He said he felt that could be a valuable tool for South Dakota going forward and might be something those agencies could be asked to work on.

### Committee Adjournment

***Senator Cammack moved, seconded by Senator Crabtree, that the Study Committee on Property Tax Structure and Tax Burden be adjourned. Motion prevailed unanimously on a voice vote.***

The committee meeting adjourned at 9:59 a.m.



Committee: Senate Taxation

Wednesday, January 31, 2024 10:00 AM

Roll Call

Present: Sen. Bordeaux, Sen. Klumb, Sen. Novstrup, Sen. Otten (Herman),  
Sen. Schoenfish, Sen. Hoffman, and Sen. Stalzer

OTHERS PRESENT: See Original Minutes

**The meeting was called to order by Senator Stalzer****MOTION: TO APPROVE THE MINUTES OF FRIDAY, JANUARY 19<sup>TH</sup>**

Moved by: Klumb  
Second by: Otten (Herman)  
Action: Prevailed by voice vote

**SB 167 : limit annual valuation increases on owner-occupied single-family dwellings.**

Presented by: Senator Jack Kolbeck (Handout(s) Handout 1, Handout 2)

Proponents: Lisa Gennaro, Self, Keystone  
Representative Trish Ladner  
Lea Anne McWhorter, Self, Custer

Opponents: Michael Houdyshell, Department of Revenue  
Matthew M Bogue, South Dakota Farm Bureau Federation, Huron  
Samuel J Nelson, Economic Dev. Professionals Association, Aberdeen  
Samuel J Nelson, South Dakota Corn Growers Association, Sioux Falls  
Samuel J Nelson, South Dakota Municipal League, Fort Pierre  
John Cunningham, Self, Sioux Falls  
Cathy Brechtelsbauer, Self, Sioux Falls  
Sandra Marie Waltman, South Dakota Education Association, Pierre  
Dianna Miller, Large School Group (Aberdeen), Aberdeen  
Douglas R. Wermedal, Associated School Boards of South Dakota, Pierre  
Rob Skjonsberg, South Dakota Soybean Association, Sioux Falls  
Mitch Richter, South Dakota United School Association, Milbank  
Mitch Richter, South Dakota Farmers Union, Huron  
Brenda Forman, South Dakota Association of Cooperatives, Pierre  
Kris Jacobsen, South Dakota Association of County Commissioners, Pierre  
Jason Alan Glodt, National Federation of Independent Business (Washington DC), WA  
Nathan Sanderson, South Dakota Retailers Association, Pierre  
Representative Dennis Krull (Handout(s) Handout 3)

**MOTION: DO PASS SB 167**

Moved by: Novstrup  
Second by: Otten (Herman)  
Action: Prevailed by Majority Members Elect (4-3-0-0)

Voting Yes: Klumb, Novstrup, Otten (Herman), and Hoffman

Voting No: Bordeaux, Schoenfish, and Stalzer

Page 1 of 2

Senate Taxation

Wednesday, January 31, 2024 10:00 AM

Senator Stalzer passed the gavel to Senator Hoffman.

## SB 167 - Homeowner Property Assessment Valuation Cap

The year 2020 brought COVID-19 and an influx of people moving to South Dakota. That coupled with low interest rates caused home assessments/valuations across the state to skyrocket! You could say we experienced the perfect storm!

### SO WHAT WILL SB 167 ACCOMPLISH?

- ◆ It will reset and roll back owner-occupied single-family homes to the 2020 valuation for tax purposes.
- ◆ If a home was purchased after 2020, it will be assessed at sales price or “market value,” with a maximum of 3% annual increase going forward.
- ◆ If the footprint of a home is enlarged or an out building added, the property will be reassessed at market value with a maximum 3% annual increase going forward.
- ◆ No refunds. No Rebates
- ◆ This bill would also apply to the owner-occupied, single-family home on a homestead.
- ◆ SB 167 will provide predictability so that home-owners can plan and budget for the property tax expense.
- ◆ Protects and safeguards our long-term South Dakotans and our aging population by increasing their ability to plan to pay their taxes and afford to remain in their homes.
- ◆ **THIS IS A STATEWIDE ISSUE.** According to the SD Department of Revenue Valuations reports for owner-occupied residential property's between the fiscal year 2020 through 2023, we experienced a year-on-year increase in property assessments of \$21,460,451,155 (*source SD DOR Valuation Reports 2019, 2020, 2021, 2022 and 2023*). This increase equates to an average of 58.39% increase in assessments for tax purposes across the state. For example: Minnehaha County increased 45.86%, Turner County 46.05%, Custer County 50.94%, Pennington County 40.59%. (*The complete 66 county valuation available upon*



#### NEW NEIGHBOR MR. JONES

Owned since 2022  
for \$750,000 dollars  
Assessment based on  
2022 acquisition cost



#### LONG-TERM PROPERTY OWNER

Owned since 1960  
Assessed for \$300,000 dollars in 2020.  
Now reassessed in 2023 for \$750,000



#### NEW NEIGHBOR MR. ADAMS

Owned since 2023  
for \$750,000 dollars  
Assessment based on

Under current tax law “market value” is used to assess the current value of a home or by using comparable sales in an owner’s neighboring areas whether the property has been sold or not (highest and best use). Let’s look at an example. Mr. Smith is a 3rd generation South Dakotan and has owned his home in South Dakota for 64 years. It was assessed in 2019 for \$300,000. Two properties in Mr. Smith’s neighborhood sold for \$750,000 each. Because of these sales, Mr. Smith’s home will now be assessed at \$750,000 because the property has the “**potential**” of selling, “**someday**” for \$750,000. The difference between Mr. Smith and his neighbors is that the neighbors knew they would be assessed at \$750,000 when they bought the property. Mr. Smith did not!

According to the 2022 Census, there were 396,623 owner-occupied single-family homes in South Dakota. Of those, approximately 71,392 are owned by citizens who are 65 years old or older.



## 2024 South Dakota Legislature

# Senate Bill 167

Introduced by: **Senator Kolbeck (Jack)**

1 **An Act to limit annual valuation increases on owner-occupied single-family**  
 2 **dwelling.**

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 **Section 1. That chapter 10-6 be amended with a NEW SECTION:**

5 For purposes of this section, the term "base amount" means:

6 (1) The fair market value of any owner-occupied single-family dwelling on November  
 7 1, 2020, increased by no more than three percent annually for each assessment  
 8 required by § 10-6-105 that was completed in 2021, 2022, and 2023;

9 (2) Where a change in ownership of an owner-occupied single-family dwelling has  
 10 occurred between November 2, 2020, and October 31, 2024, inclusive, the fair  
 11 market value of the property on the date of transfer or purchase increased by no  
 12 more than three percent annually for any assessment required by § 10-6-105, that  
 13 was completed after the transfer or purchase in any year between 2021 and 2023,  
 14 inclusive; or

15 (3) Where a change in ownership of an owner-occupied single-family dwelling occurs  
 16 on November 1, 2024, or later, the fair market value of the property.

17 For purposes of the annual assessment required by § 10-6-105, the assessed value  
 18 of an owner-occupied single-family dwelling may not increase more than three percent  
 19 annually from the base amount beginning with assessment year 2024 and each  
 20 assessment year thereafter.

21 When a change in ownership of an owner-occupied single-family dwelling occurs,  
 22 the property must be reassessed to determine the property's base amount. When an  
 23 owner-occupied single-family dwelling is sold between a willing seller and a willing buyer  
 24 with no coercion or advantage taken by either party, the property's base amount may not  
 25 exceed the sales price of the property.

**HB 1325 : revise the classification of agricultural land according to soil type.**

Presented by: Representative Kirk Chaffee, District 29 (Handout(s) 2)

Proponents: Brenda Forman, South Dakota Cattlemen's Association, Pierre  
Angela Ehlers, SD Association of Conservation Districts, Pierre  
Paul Lepisto, South Dakota Division of the Izaak Walton League of America,  
McCook LakeOpponents: Jim Terwilliger, Secretary, Department of Revenue (Handout(s) 3)  
Matthew McCaulley, South Dakota Corn Growers Association, Sioux Falls  
Nathan Sanderson, South Dakota Retailers Association, Pierre**MOTION: AMEND HB 1325**

1325A

On page 1, line 19, of the Introduced bill, after "is" insert " not"

On page 2, line 4, of the Introduced bill, after "classification." insert "

Nothing in this section prohibits the department from categorizing soil map units with land capability class I, II or III as noncropland if the reasonable, probable use of the soil map unit that is physically practical, appropriately supported, financially feasible, and that results in the highest sustainable use of the land, is not harvesting crops or plants produced. "

Moved by: Finck

Second by: Blare

Action: Prevailed by voice vote

**MOTION: DO PASS HB 1325 AS AMENDED**

Moved by: Blare

Second by: Lesmeister

Action: Prevailed by Majority Members Elect (12-1-0-0)

Voting Yes: Blare, Chase, Finck, Goodwin, Ladner, Lesmeister, Marty, Schneider,  
Vasgaard, Wink, Hoffman, and Overweg

Voting No: York

**MOTION: ADJOURN**

Moved by: Hoffman

Second by: Ladner

Action: Prevailed by voice vote

COMMENTARY

# Why Proposition 13 and Attacking It Are Both Popular

By **GARY M. GALLES**

October 27, 2022



**GARY M. GALLES** is a Research Fellow at the Independent Institute, Professor of Economics at Pepperdine University, and Adjunct Scholar at the Ludwig von Mises Institute. His most recent book is *Pathways to Policy Failures* (2020).

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# Paying Texas Taxes in 2024



By Anne Johnson

1/17/2024 Updated: 1/17/2024

## Property Taxes Lowered

Property taxes are about to be lowered thanks to Proposition 4. This \$18 billion property tax cut package will lower school district property taxes. Texas is ranked sixth in property taxes. Half of the property taxes are used to fund the state school system.

### RELATED STORIES

Texas Voters Approve 13 of 14 Constitutional Amendments Including 'Right to Farm,' Property Tax Cuts  
11/9/2023



Texas Lt. Gov. Dan Patrick, Speaker Dade Phelan Reach Historical \$18 Billion Property Tax Cut Deal  
7/11/2023



The state of Texas doesn't have a state property tax. The result is that Texas doesn't set property tax rates or collect taxes. Local governments are the entities that set rates and tax property owners.

But the high property taxes are changing.

Homeowners and businesses will potentially receive thousands of dollars cut from their property taxes.

Proposition 4 is a constitutional amendment that changes how public schools are funded. Under Proposition 4, school districts will receive \$7.1 billion from the state to lower their tax rates. It will replace local revenue that has come from property owners with state dollars. The lawmakers refer to this as "compression."

## Taxing the land: Court rules Meade Co. taxes fair, ranchers disagree

News [FOLLOW NEWS](#) | Jun 26, 2020



**Carrie Stadheim** [FOLLOW](#)  
cstadheim@tsln-fre.com



The South Dakota Supreme Court has ruled against a rancher seeking property tax relief.

Meade County, whose longtime director of equalization helped formulate the current agricultural property tax assessment protocol, has been at the heart of the state property tax debate for the past several years.

In a county with 360 farming/ranching operations and a total population of 22,000 people, many of the farmers and ranchers feel like their tax burden, which was about 40 percent this year, is unfair, with their population representing 1.6 percent of the county's residents.

Ranchers in that county have filed a number of lawsuits in recent years, claiming unfair assessments.

In 2010, South Dakota switched from a property tax system based on land values, to one based on productivity.

Recently, the state Supreme Court ruled against Pat and Rose Mary Trask of Wasta, who alleged that their 2016 tax assessments lacked uniformity and violated the constitutional mandate that tax assessments not exceed actual value of the land.

The court concluded that this was not the case.

Pat Trask says that the state ought to be determining ag property taxes based on "actual production" of the land. The state says they will make the determination based on the soil type on his and other farmers' and ranchers' land. Jim Lintz, a Hermosa rancher the former legislator who championed the "productivity-based" legislation in 2009, testified in court to this very point.

"What we said, and we proved it with testimony, is that the statutory script was not followed, and the reason it was not followed is because the state department of revenue and their attorneys bullied the county officials," said Trask.

"They use a very magnified liberty. When the statute says the criteria for determining taxes include soils, precipitation, location, tillable or non tillable." The determination of tax assessments based on soil only, brought the Trasks to believe their taxes were established using "fantasy" numbers.

"They utilize soil information from a soil manual which said on its cover that it is only a general guideline and it's not to be used for taxation purposes," said Trask.

Not surprisingly, cropland is taxed at a different, higher rate than non-cropland. Cropland assessments are determined based on county-wide production, commodity prices and soil type, while non-crop land is taxed based on rental rates and soil types.

Trask says 23 percent of his outfit is cropland, and 77 percent non-crop. In 2016, the county said that 61 percent of the ranch was cropland, and 39 percent non-cropland.

Trask's taxes were too high, he said.

The county assessor did take Trask's complaints into account, to a degree, and the family's taxes were assessed at a much lower rate than the "top cropland," rate.

"Through (Kirk) Chaffee's (Director of Equalization) discretionary crop and soil adjustments and the Board's additional reductions, the Trasks' final assessed value of \$512 per acre is not appreciably higher than the top-dollar value for non-cropland of \$435 per acre," says Chief Justice Gilbertson, on behalf of the South Dakota Supreme Court.

Lesley Coyle with the South Dakota Department of Revenue explained in a TSLN interview last December that county directors of equalization can make adjustments for topographical conditions with access issues, erosion or other situations that make soil that is rated as "crop" soil difficult to raise crops on.

In order to assess property taxes statewide, the state calculates a "top dollar" value for each county, based on rental rates (obtained by South Dakota State University), according to a South Dakota Department of Revenue brochure.

## HOT SPRINGS SCHOOL DISTRICT NO. 23-2

STATEMENT OF NET POSITION  
JUNE 30, 2021

	Primary Government		
	Governmental Activities	Business- Type Activities	Total
<b>ASSETS</b>			
Cash and cash equivalents	\$ 5,193,143	\$ 21,963	\$ 5,215,106
Investments	1,670,334	-	1,670,334
Accounts receivable, net of allowance	6,165	-	6,165
Taxes receivable	1,947,309	-	1,947,309
Due from other governments	651,019	15,838	666,857
Internal balances	(16,201)	16,201	-
Due from custodial fund	41,924	-	41,924
Prepaid expenses	29,606	-	29,606
Net pension asset	7,346	51	7,397
Capital assets:			
Not being depreciated	353,621	-	353,621
Being depreciated, net of depreciation	7,019,201	14,801	7,034,002
Total capital assets	<u>7,372,822</u>	<u>14,801</u>	<u>7,387,623</u>
 Total assets	 <u>16,903,467</u>	 <u>68,854</u>	 <u>16,972,321</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Pension related deferred outflows	<u>1,298,635</u>	<u>8,909</u>	<u>1,307,544</u>
<b>LIABILITIES</b>			
Accounts payable	153,476	2,120	155,596
Contracts payable	453,058	2,155	455,213
Due from other governments	2,839	-	2,839
Accrued expenses	100,716	400	101,116
Long-term liabilities:			
Portion due or payable within one year:			
Long-term debt payable	166,183	-	166,183
Lease payable	24,880	-	24,880
Compensated absences	17,220	-	17,220
Portion due or payable after one year:			
Long-term debt payable	3,265,724	-	3,265,724
Lease payable	109,340	-	109,340
Compensated absences	24,509	-	24,509
 Total liabilities	 <u>4,317,945</u>	 <u>4,675</u>	 <u>4,322,620</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension related deferred inflows	961,881	6,589	968,470
Taxes levied for future period	<u>2,314,949</u>	<u>-</u>	<u>2,314,949</u>
 Total deferred inflows of resources	 <u>3,276,830</u>	 <u>6,589</u>	 <u>3,283,419</u>
<b>NET POSITION</b>			
Net investment in capital assets	3,940,915	14,801	3,955,716
Restricted for:			
Capital outlay	2,859,881	-	2,859,881
Special education	434,713	-	434,713
Debt service	1,698,530	-	1,698,530
Capital projects	32,594	-	32,594
SDRS pension purposes	344,100	2,371	346,471
Unrestricted	<u>1,296,594</u>	<u>49,327</u>	<u>1,345,921</u>
 Total net position	 <u>\$ 10,607,327</u>	 <u>\$ 66,499</u>	 <u>\$ 10,673,826</u>

The accompanying notes are an integral part of these financial statements.

## HOT SPRINGS SCHOOL DISTRICT NO. 23-2

STATEMENT OF ACTIVITIES  
YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
Governmental activities:							
Instruction	\$ 4,418,711	\$ -	\$ 424,700	\$ -	\$ (3,994,011)		\$ (3,994,011)
Support services	3,029,810	18,341	182,014	-	(2,829,455)		(2,829,455)
Cocurricular activities	440,812	23,755	-	-	(417,057)		(417,057)
Community services	3,271	-	-	-	(3,271)		(3,271)
Interest and fiscal charges	31,103	-	-	-	(31,103)		(31,103)
Total governmental activities	<u>7,923,707</u>	<u>42,096</u>	<u>606,714</u>	<u>-</u>	<u>(7,274,897)</u>		<u>(7,274,897)</u>
Business-type activities:							
Food service	349,423	56,326	269,114	-		\$ (23,983)	(23,983)
Total Business-type activities:	<u>349,423</u>	<u>56,326</u>	<u>269,114</u>	<u>-</u>		<u>(23,983)</u>	<u>(23,983)</u>
Total School District	<u>\$ 8,273,130</u>	<u>\$ 98,422</u>	<u>\$ 875,828</u>	<u>\$ -</u>	<u>(7,274,897)</u>	<u>(23,983)</u>	<u>(7,298,880)</u>
General revenues:							
Taxes:							
Property taxes					4,523,496	-	4,523,496
Gross receipts tax					288,837	-	288,837
Revenue from state sources:							
State aid					2,239,154	-	2,239,154
Other					232,995	-	232,995
Revenue from federal sources					762,870	-	762,870
Earnings on investments					515	-	515
Miscellaneous					132,846	-	132,846
Gain on sale of property					132,001	-	132,001
Transfers					-	-	-
Total general revenues and transfers					<u>8,312,714</u>	<u>-</u>	<u>8,312,714</u>
Change in net position					<u>1,037,817</u>	<u>(23,983)</u>	<u>1,013,834</u>
Net position - beginning					9,715,301	90,482	9,805,783
Prior period adjustment					(145,791)	-	(145,791)
Net position - beginning - restated					<u>9,569,510</u>	<u>90,482</u>	<u>9,659,992</u>
Net position - ending					<u>\$ 10,607,327</u>	<u>\$ 66,499</u>	<u>\$ 10,673,826</u>

The accompanying notes are an integral part of these financial statements.

## HOT SPRINGS SCHOOL DISTRICT NO. 23-2

BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	Major Funds			Debt Service Fund	Non-major	Total Governmental Funds
	General	Special Revenue Funds			Capital Projects Fund	
		Capital Outlay	Special Education			
<b>ASSETS</b>						
Cash and cash equivalents	\$ 2,182,751	\$ 2,519,758	\$ 477,384	\$ -	\$ 13,250	\$ 5,193,143
Investments	-	-	-	1,670,334	-	1,670,334
Accounts receivable, net of allowance	6,165	-	-	-	-	6,165
Taxes receivable	964,819	608,753	373,737	-	-	1,947,309
Due from other governments	499,816	14,408	104,201	-	32,594	651,019
Due from other funds	-	469,369	16,066	28,196	-	513,631
Due from fiduciary funds	41,924	-	-	-	-	41,924
Prepaid expenses	29,606	-	-	-	-	29,606
Total assets	<u>\$ 3,725,081</u>	<u>\$ 3,612,288</u>	<u>\$ 971,388</u>	<u>\$ 1,698,530</u>	<u>\$ 45,844</u>	<u>\$ 10,053,131</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>						
Liabilities:						
Accounts payable	\$ 124,011	\$ 7,113	\$ 9,102	\$ -	\$ 13,250	\$ 153,476
Contracts payable	397,131	-	55,927	-	-	453,058
Due to other funds	529,832	-	-	-	-	529,832
Due to other governments	-	-	2,839	-	-	2,839
Accrued expenses	87,701	-	13,015	-	-	100,716
Total liabilities	<u>1,138,675</u>	<u>7,113</u>	<u>80,883</u>	<u>-</u>	<u>13,250</u>	<u>1,239,921</u>
Deferred Inflows of Resources:						
Unavailable revenue - property taxes	48,254	13,946	8,217	-	-	70,417
Taxes levied for future period	1,136,026	731,348	447,575	-	-	2,314,949
Total deferred inflows of resources	<u>1,184,280</u>	<u>745,294</u>	<u>455,792</u>	<u>-</u>	<u>-</u>	<u>2,385,366</u>
Fund balances:						
Nonspendable:						
Prepaid expenses	29,606	-	-	-	-	29,606
Restricted:						
Capital outlay	-	2,859,881	-	-	-	2,859,881
Special education	-	-	434,713	-	-	434,713
Debt service	-	-	-	1,698,530	-	1,698,530
Capital projects	-	-	-	-	32,594	32,594
Unassigned	1,372,520	-	-	-	-	1,372,520
Total fund balances	<u>1,402,126</u>	<u>2,859,881</u>	<u>434,713</u>	<u>1,698,530</u>	<u>32,594</u>	<u>6,427,844</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,725,081</u>	<u>\$ 3,612,288</u>	<u>\$ 971,388</u>	<u>\$ 1,698,530</u>	<u>\$ 45,844</u>	<u>\$ 10,053,131</u>

The accompanying notes are an integral part of these financial statements.



## HOT SPRINGS SCHOOL DISTRICT NO. 23-2

RECONCILIATION OF THE GOVERNMENTAL FUNDS  
BALANCE SHEET TO THE STATEMENT OF NET POSITION  
JUNE 30, 2021

Total fund balances for governmental funds		\$ 6,427,844
Total net position reported for governmental activities in the statement of net position is different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:		
Land	\$ 353,621	
Buildings, net of \$3,260,935 accumulated depreciation	6,051,299	
Improvements, net of \$270,758 accumulated depreciation	112,592	
Equipment, net of \$1,906,069 accumulated depreciation	<u>855,310</u>	
Total capital assets		7,372,822
Some of the School District's taxes will be collected after year-end, but are not available soon enough to pay for the current period's expenditures, and therefore are reported as deferred inflows of resources in the funds.		
		70,417
Net pension asset reported in governmental activities is not an available financial resource and therefore is not reported in the funds.		
		7,346
Pension related deferred outflows are components of pension liability (asset) and therefore are not reported in the funds.		
		1,298,635
Long-term liabilities applicable to the School District's governmental activities are not due and payable in current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. Those liabilities consist of:		
Long-term debt payable	3,446,223	
Discount on long-term debt	(14,316)	
Lease liability	134,220	
Compensated absences	<u>41,729</u>	
Total long-term liabilities		(3,607,856)
Pension related deferred inflows are components of pension liability (asset) and therefore are not reported in the funds.		
		<u>(961,881)</u>
Total net position of governmental activities		<u>\$ 10,607,327</u>

The accompanying notes are an integral part of these financial statements.

## HOT SPRINGS SCHOOL DISTRICT NO. 23-2

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED JUNE 30, 2021

	Major Funds			Debt Service Fund	Non-major	Total Governmental Funds
	General	Special Revenue Funds			Capital	
		Capital Outlay	Special Education		Projects Fund	
<b>REVENUES</b>						
Local sources:						
Taxes	\$ 2,561,144	\$ 1,428,819	\$ 861,190	\$ -	\$ -	\$ 4,851,153
Interest	349	-	-	166	-	515
Cocurricular activities	23,755	-	-	-	-	23,755
Other local revenue	42,752	-	13,984	-	-	56,736
Intergovernmental:						
County sources	94,451	-	-	-	-	94,451
State sources	2,273,307	-	198,842	-	-	2,472,149
Federal sources	754,786	433,901	148,303	-	32,594	1,369,584
Total revenues	<u>5,750,544</u>	<u>1,862,720</u>	<u>1,222,319</u>	<u>166</u>	<u>32,594</u>	<u>8,868,343</u>
<b>EXPENDITURES</b>						
Instruction:						
Regular programs	2,819,973	258,083	-	-	-	3,078,056
Special programs	277,151	8,312	642,198	-	-	927,661
Support services:						
Students	95,617	-	199,890	-	-	295,507
Instructional staff	216,881	32,029	18,871	-	-	267,781
General administration	169,192	2,300	-	-	-	171,492
School administration	401,547	6,717	-	-	-	408,264
Business	1,214,447	208,369	-	-	-	1,422,816
Central	11,514	-	-	-	-	11,514
Special education	-	-	147,063	-	-	147,063
Cocurricular activities:						
Male activities	130,077	-	-	-	-	130,077
Female activities	114,604	-	-	-	-	114,604
Transportation	16,111	-	-	-	-	16,111
Combined activities	133,889	8	-	-	-	133,897
Community services:						
Civic services	3,271	-	-	-	-	3,271
Debt service:						
Principal	-	193,549	-	-	-	193,549
Interest	-	155,708	-	-	-	155,708
Capital outlay	-	326,375	-	-	32,594	358,969
Total expenditures	<u>5,604,274</u>	<u>1,191,450</u>	<u>1,008,022</u>	<u>-</u>	<u>32,594</u>	<u>7,836,340</u>
Excess (deficiency) of revenues over expenditures	<u>146,270</u>	<u>671,270</u>	<u>214,297</u>	<u>166</u>	<u>-</u>	<u>1,032,003</u>
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers in	10,718	359,045	-	161,765	32,594	564,122
Transfers out	(306,359)	(205,077)	-	(52,686)	-	(564,122)
Interest rebate	-	126,991	-	-	-	126,991
Lease proceeds	-	164,200	-	-	-	164,200
Sale of surplus property	-	181,260	-	-	-	181,260
Total other financing sources (uses)	<u>(295,641)</u>	<u>626,419</u>	<u>-</u>	<u>109,079</u>	<u>32,594</u>	<u>472,451</u>
Net change in fund balances	(149,371)	1,297,689	214,297	109,245	32,594	1,504,454
Fund balances - beginning	1,697,288	1,562,192	220,416	1,589,285	-	5,069,181
Prior period adjustment	(145,791)	-	-	-	-	(145,791)
Fund balances - beginning - restated	<u>1,551,497</u>	<u>1,562,192</u>	<u>220,416</u>	<u>1,589,285</u>	<u>-</u>	<u>4,923,390</u>
Fund balances - ending	<u>\$ 1,402,126</u>	<u>\$ 2,859,881</u>	<u>\$ 434,713</u>	<u>\$ 1,698,530</u>	<u>\$ 32,594</u>	<u>\$ 6,427,844</u>

The accompanying notes are an  
integral part of these financial statements.

STATE OF SOUTH DAKOTA  
COUNTY OF Fall River County

To 02-HOT SPRINGS23-2 Fall River County , S.D.  
Name of bank depository to which money was transferred First Interstate Bank  
Hot Springs, So.Dak. Fall River County SOUTH DAKOTA

In accordance with the provisions of SDCL 13-11-7 and 13-13-6, the Business Manager of the above named school district is hereby notified that money from the sources indicated below has this day been deposited in the depository indicated above to the credit of the funds of the school district. The Business Manager is also hereby notified that the below listed refunds were made and are being charged against current collections.

A M O U N T D E P O S I T E D

Code No.	Source	GENERAL	CAP OUTLAY	SPEC ED	PENSION	TOTAL
1000	REVENUE FROM LOCAL SOURCES					
1110	Ad Valorem Taxes-Current (Amount Refunded)	194,380.27	86,679.78	68,290.20		349,350.25
1110	Registered Delinquent Mobile Home Tax					
1110	Advanced Mobile Home Tax (subsequent to current yr)					
1120	Ad Valorem Taxes-Previous Years					
	Real Property Tax 1 yr previous (Amount Refunded)	968.63	521.87	362.72		1,853.22
	Real Property Tax 2 yrs previous (Amount Refunded)	275.80	111.40	70.40		457.60
	Real Property Tax 3 years previous (Amount Refunded)	55.68	22.88	13.96		92.52
	Real Property Tax 4 years previous (Amount Refunded)	767.32	303.20	181.14		1,251.66
	Real Property Tax 5 years & more prv (Amount Refunded)	480.54	181.20	91.38	6.64	759.76
1130	Tax Deed Revenue (SDCL 10-25-39, 7-31-31 and 7-31-12)					
1190	Penalty and Interest on Taxes (Amount Refunded)	694.62	274.13	155.53	5.37	1,129.65
1140	Gross Receipts Taxes					
	Bank Franchise (SDCL 10-43)					
	Rural Electric Co. (SDCL 10-36)					
	Telephone Co. (SDCL 10-33)					
	Rural Water Co. (SDCL 10-36A)					
1180	Appropriations from Local Sources (SDCL 9-54-8)					
2001	REVENUE FROM COUNTY SOURCES					
2110	State Fines (SDCL 23A-27-25)	6,531.04				6,531.04
2200	Revenue in Lieu of Taxes (Hillcrest)					
2200	Revenue in Lieu of Taxes (Brookside)	10,628.74				10,628.74
2200	Revenue in Lieu of Taxes (Evans)	6,416.04				6,416.04
2900	Final TIF Distribution					
3000	REVENUE FROM STATE SOURCES					
3114	Bank Franchise (SDCL 10-43)					
3900	Severance Tax (SDCL 10-39A-10)	5,304.90				5,304.90
4000	REVENUE FROM FEDERAL SOURCES					
4131	Forest Apportionment (CFDA 10.665)					
4133	Bankhead Jones (CFDA 10.666)					
4200	Payment in Lieu of Taxes (CFDA 15.226)					
***	TOTAL AMOUNT OF ABOVE DISTRIBUTIONS***	226,503.58	88,094.46	69,165.33	12.01	383,775.38

SUE GANJE  
County Auditor

3/15/24

**AUDITOR'S ACCOUNT WITH THE COUNTY TREASURER**

TO THE HONORABLE BOARD OF FALL RIVER COUNTY COMMISSIONERS:

I hereby submit the following report of my examination of the cash and cash items in the hands of the County Treasurer of this County on this 31st day of December 2023.

<b>Total Amount of Deposit in First Interstate Bank, HS:</b>	\$	1,027,822.35
<b>Total Amount of Cash:</b>	\$	2,603.35
<b>Total Amount of Treasurer's Change Fund:</b>	\$	900.00
<b>Total Amount of Checks in Treasurer's Possession Not Exceeding Three Days:</b>	\$	7,807.09
<b>SAVINGS:</b>		
#4) First Interstate Bank, HS:	\$	1,254,082.17
<b>CERTIFICATES OF DEPOSIT:</b>		
#8) Black Hills Federal Credit Union, HS:	\$	250,000.00
#14) Schwab Treasury:	\$	122,336.80
#15) First National Bank, Lead:	\$	324,874.62
#21) Schwab Treasury 2 Yr:	\$	272,700.63
#22) Schwab Treasury 2 Yr:	\$	988,511.72
#23) Schwab Treasury 2 Yr:	\$	988,750.00
#24) Schwab Treasury 2 Yr:	\$	2,088,187.50
#25) Schwab Treasury 3 Yr:	\$	1,958,125.00
#26) Schwab Treasury 4 Yr:	\$	1,040,710.31
#27) Schwab Treasury 2 Yr:	\$	990,100.78
<b>Itemized list of all items, checks and drafts that have been in the Treasurer's possession over three days:</b>		
Register of Deeds Change Fund:	\$	500.00
Highway Petty Cash:	\$	20.00
Election Petty Cash:	\$	15.00
<b>RETURNED CHECKS:</b>		
Hannah Thomas	\$	426.01
<b>TOTAL</b>		<b>\$ 11,318,473.33</b>

Dated This 31st Day of December 2023.

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 Sue Ganje, County Auditor of  
of Fall River County

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 Teresa Pullen, County Treasurer  
of Fall River County

County Monies	\$	10,940,916.46
Held for other Entities	\$	151,343.68
Held in Trust	\$	226,213.19
<b>TOTAL</b>	<b>\$</b>	<b>11,318,473.33</b>


The Above Balance Reflects County Monies, Monies Held in Trust, and Monies Collected for and to be remitted to Other ENTITIES: SCHOOLS, TOWNS AND STATE.

STATE OF SOUTH DAKOTA  
COUNTY OF Fall River County

To 02-HOT SPRINGS23-2 Fall River County , S.D.  
Name of bank depository to which money was transferred First Interstate Bank  
Hot Springs, So.Dak. Fall River County SOUTH DAKOTA

In accordance with the provisions of SDCL 13-11-7 and 13-13-6, the Business Manager of the above named school district is hereby notified that money from the sources indicated below has this day been deposited in the depository indicated above to the credit of the funds of the school district. The Business Manager is also hereby notified that the below listed refunds were made and are being charged against current collections.

Code No.	Source	A M O U N T D E P O S I T E D			TOTAL
		GENERAL	CAP OUTLAY	SPEC ED	
01	1000 REVENUE FROM LOCAL SOURCES				
02	-----				
03	1110 Ad Valorem Taxes-Current	697,871.64	415,970.20	289,127.59	1,402,969.43
04	(Amount Refunded).....				
05	1110 Registered Delinquent Mobile Home Tax				
06	1110 Advanced Mobile Home Tax (subsequent to current yr)	507.65	295.73	205.55	1,008.93
07	1120 Ad Valorem Taxes-Previous Years				
08	Real Property Tax 1 yr previous	1,164.53	729.37	460.98	2,354.88
09	(Amount Refunded).....				
10	Real Property Tax 2 yrs previous				
11	(Amount Refunded).....				
12	Real Property Tax 3 years previous				
13	(Amount Refunded).....				
14	Real Property Tax 4 years previous				
15	(Amount Refunded).....				
16	Real Property Tax 5 years & more prv				
17	(Amount Refunded).....				
18	1130 Tax Deed Revenue (SDCL 10-25-39,7-31-31 and 7-31-12)...				
19	1190 Penalty and Interest on Taxes.....	1,156.25	578.64	396.87	2,131.76
20	(Amount Refunded).....				
21	1140 Gross Receipts Taxes				
22	Bank Franchise (SDCL 10-43).....				
23	Rural Electric Co. (SDCL 10-36).....				
24	Telephone Co. (SDCL 10-33).....				
25	Rural Water Co. (SDCL 10-36A).....				
26	1180 Appropriations from Local Sources (SDCL 9-54-8).....				
27	-----				
28	2001 REVENUE FROM COUNTY SOURCES				
29	-----				
30	2110 State Fines (SDCL 23A-27-25).....	5,773.86			5,773.86
31	2200 Revenue in Lieu of Taxes (Hillcrest).....				
32	2200 Revenue in Lieu of Taxes (Brookside).....				
33	2200 Revenue in Lieu of Taxes (Evans).....				
34	2900 Final TIF Distribution.....				
35	-----				
36	3000 REVENUE FROM STATE SOURCES.....				
37	-----				
38	3114 Bank Franchise (SDCL 10-43).....				
39	3900 Severance Tax (SDCL 10-39A-10).....				
40	-----				
41	4000 REVENUE FROM FEDERAL SOURCES.....				
42	-----				
43	4131 Forest Apportionment (CFDA 10.665)				
44	4133 Bankhead Jones (CFDA 10.666).....				
45	4200 Payment in Lieu of Taxes (CFDA 15.226)				
46	-----				
47	*** TOTAL AMOUNT OF ABOVE DISTRIBUTIONS***.....	706,473.93	417,573.94	290,190.99	1,414,238.86
48					

  
SUE GANJE  
County Auditor

11/14/23




STATE OF SOUTH DAKOTA  
COUNTY OF Fall River County

To 02-HOT SPRINGS23-2 Fall River County , S.D.  
Name of bank depository to which money was transferred First Interstate Bank  
Hot Springs, So.Dak. Fall River County SOUTH DAKOTA

In accordance with the provisions of SDCL 13-11-7 and 13-13-6, the Business Manager of the above named school district is hereby notified that money from the sources indicated below has this day been deposited in the depository indicated above to the credit of the funds of the school district. The Business Manager is also hereby notified that the below listed refunds were made and are being charged against current collections.

Code No.	Source	A M O U N T D E P O S I T E D				TOTAL
		GENERAL	CAP OUTLAY	SPEC ED	PENSION	
1000	REVENUE FROM LOCAL SOURCES					
1110	Ad Valorem Taxes-Current (Amount Refunded)	712,171.77	395,305.80	274,765.58		1,382,243.15
1110	Registered Delinquent Mobile Home Tax					
1110	Advanced Mobile Home Tax (subsequent to current yr)					
1120	Ad Valorem Taxes-Previous Years					
	Real Property Tax 1 yr previous (Amount Refunded)	1,510.17	1,008.92	637.56		3,156.65
	Real Property Tax 2 yrs previous (Amount Refunded)	279.79	238.22	145.37		663.38
	Real Property Tax 3 years previous (Amount Refunded)					
	Real Property Tax 4 years previous (Amount Refunded)					
	Real Property Tax 5 years & more prv (Amount Refunded)	209.55	153.49	72.39	15.34	450.77
1130	Tax Deed Revenue (SDCL 10-25-39,7-31-31 and 7-31-12)					
1190	Penalty and Interest on Taxes (Amount Refunded)	293.86	214.84	118.28	10.36	637.34
1140	Gross Receipts Taxes					
	Bank Franchise (SDCL 10-43)					
	Rural Electric Co. (SDCL 10-36)					
	Telephone Co. (SDCL 10-33)					
	Rural Water Co. (SDCL 10-36A)					
1180	Appropriations from Local Sources (SDCL 9-54-8)					
2001	REVENUE FROM COUNTY SOURCES					
2110	State Fines (SDCL 23A-27-25)	9,773.61				9,773.61
2200	Revenue in Lieu of Taxes (Hillcrest)					
2200	Revenue in Lieu of Taxes (Brookside)					
2200	Revenue in Lieu of Taxes (Evans)					
2900	Final TIF Distribution					
3000	REVENUE FROM STATE SOURCES					
3114	Bank Franchise (SDCL 10-43)					
3900	Severance Tax (SDCL 10-39A-10)					
4000	REVENUE FROM FEDERAL SOURCES					
4131	Forest Apportionment (CFDA 10.665)					
4133	Bankhead Jones (CFDA 10.666)					
4200	Payment in Lieu of Taxes (CFDA 15.226)					
***	TOTAL AMOUNT OF ABOVE DISTRIBUTIONS***	724,238.75	396,921.27	275,739.18	25.70	1,396,924.90

  
SUE GANJE  
County Auditor

5/19/23

FALL RIVER COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Building Fund	Fund	Other Governmental Funds	Total Governmental Funds
Revenues:						
310 Taxes:						
311 General Property Taxes--Current	3,177,348.11	303,180.53	134,822.11		1,211.19	3,616,561.94
312 General Property Taxes--Delinquent	32,767.42	3,579.68	2,053.61		0.00	38,400.71
313 Penalties and Interest	2,224.20	7.67	101.16		0.00	2,333.03
314 Telephone Tax (Outside)	92.65				0.00	92.65
315 Mobile Home Tax	761.61	95.73	32.18		0.00	889.52
316 Wheel Tax		112,984.03			0.00	112,984.03
318 Tax Deed Revenue					0.00	0.00
319 Other Taxes					0.00	0.00
Total Taxes	3,213,193.99	419,847.64	137,009.06	0.00	1,211.19	3,771,261.88
320 Licenses and Permits	14,075.00				1,290.00	15,365.00
330 Intergovernmental Revenue:						
331 Federal Grants	694,680.66				95,494.65	790,175.31
332 Federal Shared Revenue		50,376.01			0.00	50,376.01
333 Federal Payments in Lieu of Taxes	852,546.00				0.00	852,546.00
334 State Grants	59,482.01	314,650.82			11,735.36	385,868.19
335 State Shared Revenue:						
335.01 Bank Franchise	12,751.95	1,205.98	556.68		4.98	14,519.59
335.02 Motor Vehicle Licenses		880,728.80			0.00	880,728.80
335.04 Liquor Tax Reversion (Unincorporated Town)					0.00	0.00
335.05 Lottery Shared Revenue					0.00	0.00
335.06 State Highway Fund (former 10% game)		12,487.59			0.00	12,487.59
335.07 Court Appointed Attorney/Public Defender					0.00	0.00
335.08 Energy Minerals Severance Tax		25,875.16			0.00	25,875.16
335.09 Prorate License Fees		49,052.30			0.00	49,052.30
335.10 Abused and Neglected Child Defense					0.00	0.00
335.11 63 3/4% Mobile Home					0.00	0.00
335.13 Secondary Road Remittances		210,535.10			0.00	210,535.10
335.14 Telecommunications Gross Receipt Tax	15,705.61				0.00	15,705.61
335.15 Motor Vehicle 1/4%	2,677.98				0.00	2,677.98
335.16 Renewable Facility Tax					0.00	0.00
335.17 Motor Fuel Tax		4,250.85			0.00	4,250.85
335.18 911 Remittances					78,913.35	78,913.35
335.19 Liquor Tax Reversion (25%)	42,901.18				0.00	42,901.18
335.99 Other State Shared Revenue					54,009.65	54,009.65
336 State Payments in Lieu of Taxes					0.00	0.00
338 Other Payments in Lieu of Taxes	5,149.95		224.93		0.00	5,374.88

FALL RIVER COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Building Fund	Fund	Other Governmental Funds	Total Governmental Funds
339 Other Intergovernmental Revenue					0.00	0.00
Total Intergovernmental Revenue	1,685,895.34	1,549,162.61	781.61	0.00	240,157.99	3,475,997.55
340 Charges for Goods and Services:						
341 General Government:						
341.10 Treasurer's Fees	39,706.17				0.00	39,706.17
341.20 Register of Deeds' Fees	133,419.97				12,778.48	146,198.45
341.30 Driver's License Exam					0.00	0.00
341.40 Legal Services	66,341.87				475.00	66,816.87
341.50 Clerk of Courts Fees	7,379.33				0.00	7,379.33
341.90 Other Fees	285,246.09	15.00			0.00	285,261.09
342 Public Safety:						
342.10 Law Enforcement	162,846.14				55,000.00	217,846.14
342.20 Prisoner Care	60,632.32				0.00	60,632.32
342.30 Sobriety Testing					22,709.00	22,709.00
342.90 Other	1,080.00				0.00	1,080.00
343 Public Works:						
343.10 Road Maintenance Contract Charges		33,642.79			0.00	33,642.79
343.20 Sanitation					0.00	0.00
343.30 Airport					0.00	0.00
343.90 Other					0.00	0.00
344 Health and Welfare:						
344.10 Economic Assistance:						
344.11 Poor Lien Recoveries	518.54				0.00	518.54
344.12 Veterans Service Officer	2,812.50				0.00	2,812.50
344.13 Low Income Energy Assistance Program					0.00	0.00
344.14 Food Stamp Administration					0.00	0.00
344.19 Other					0.00	0.00
344.20 Health Assistance:						
344.21 County Nurse					0.00	0.00
344.22 Ambulance					0.00	0.00
344.23 Hospital					0.00	0.00
344.24 Women, Infants and Children	5,984.40				0.00	5,984.40
344.29 Other					0.00	0.00
344.30 Social Services					0.00	0.00
344.40 Mental Health Services					0.00	0.00
345 Culture and Recreation					0.00	0.00
346 Urban and Economic Development					0.00	0.00
348 Conservation of Natural Resources	25,660.52				0.00	25,660.52
349 Other Charges					0.00	0.00

FALL RIVER COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Building Fund	Fund	Other Governmental Funds	Total Governmental Funds
Total Charges for Goods and Services	791,627.85	33,657.79	0.00	0.00	90,962.48	916,248.12
350 Fines and Forfeits:						
351 Fines					0.00	0.00
352 Costs	23,116.78				250.00	23,366.78
353 Forfeits	5,000.00				0.00	5,000.00
359 Other					0.00	0.00
Total Fines and Forfeits	28,116.78	0.00	0.00	0.00	250.00	28,366.78
360 Miscellaneous Revenue:						
361 Investment Earnings	195,692.50	83,502.45	66,855.99		18,383.01	364,433.95
362 Rent	1,200.00				0.00	1,200.00
363 Special Assessments					0.00	0.00
365 Contributions and Donations	1,500.00				35,822.50	37,322.50
366 Refund of Prior Year's Expenditures	37,169.76				0.00	37,169.76
369 Other	22,568.82	1,411.12			318.25	24,298.19
Total Miscellaneous Revenue	258,131.08	84,913.57	66,855.99	0.00	54,523.76	464,424.40
Total Revenues	5,991,040.04	2,087,581.61	204,646.66	0.00	388,395.42	8,671,663.73
Expenditures:						
100 General Government:						
110 Legislative:						
111 Board of County Commissioners	167,327.42				0.00	167,327.42
120 Elections	38,021.84				0.00	38,021.84
130 Judicial System	8,951.55				0.00	8,951.55
140 Financial Administration:						
141 Auditor	318,624.42				0.00	318,624.42
142 Treasurer	304,191.02				0.00	304,191.02
143 Finance Office					0.00	0.00
149 Other					0.00	0.00
150 Legal Services:						
151 State's Attorney	264,428.59				0.00	264,428.59
152 Public Defender					0.00	0.00
153 Court Appointed Attorney	293,634.27				0.00	293,634.27
154 Abused and Neglected Child Defense	27,296.90				0.00	27,296.90
159 Other Legal Services	5,964.76				0.00	5,964.76
160-170 Other General Government:						
161 General Government Building	300,359.74		111,902.33		0.00	412,262.07
162 Director of Equalization	306,334.83				0.00	306,334.83
163 Register of Deeds	189,365.55				23,699.00	213,064.55

FALL RIVER COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Building Fund	Fund	Other Governmental Funds	Total Governmental Funds
164	Judgments				0.00	0.00
165	Veterans Service Officer	64,093.07			0.00	64,093.07
166	Predatory Animal	4,181.86			0.00	4,181.86
167	Disability Coordinator				0.00	0.00
168	Self-Insurance Plan				0.00	0.00
169	Other				0.00	0.00
170	Geographic Information System	80,295.29			0.00	80,295.29
171	Information Technology	165,496.51			0.00	165,496.51
172	Human Resources				0.00	0.00
	<b>Total General Government</b>	<b>2,538,567.62</b>	<b>0.00</b>	<b>111,902.33</b>	<b>0.00</b>	<b>23,699.00</b>
200	<b>Public Safety:</b>					
210	<b>Law Enforcement:</b>					
211	Sheriff	929,264.29			37,865.54	967,129.83
212	County Jail	892,127.16			0.00	892,127.16
213	Coroner	13,875.82			0.00	13,875.82
214	County-Wide Law Enforcement				0.00	0.00
215	Juvenile Detention	33,860.00			0.00	33,860.00
219	Other Law Enforcement	25,230.39			0.00	25,230.39
220	<b>Protective and Emergency Services:</b>					
221	Fire Protection				253.93	253.93
222	Emergency and Disaster Services				170,612.44	170,612.44
223	Flood Control				0.00	0.00
225	Communication Center	6,923.73			427,537.09	434,460.82
229	Other Protective and Emergency Services	902.30			0.00	902.30
	<b>Total Public Safety</b>	<b>1,902,183.69</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>636,269.00</b>
300	<b>Public Works:</b>					
310	<b>Highways and Bridges:</b>					
311	Highways, Roads and Bridges		2,323,704.35		0.00	2,323,704.35
320	<b>Sanitation:</b>					
321	Sewers				0.00	0.00
322	Solid Waste				0.00	0.00
330	<b>Transportation:</b>					
331	Airport				0.00	0.00
332	Railroad				0.00	0.00
333	Other Transportation				0.00	0.00
340	Water System				0.00	0.00
390	Other Public Works				0.00	0.00
	<b>Total Public Works</b>	<b>0.00</b>	<b>2,323,704.35</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

FALL RIVER COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Building Fund	Fund	Other Governmental Funds	Total Governmental Funds
400 Health and Welfare:						
410 Economic Assistance:						
411 Support of Poor	6,500.00				0.00	6,500.00
412 Public Welfare					0.00	0.00
413 Low Income Energy Assistance Program					0.00	0.00
415 Food Stamp Distribution					0.00	0.00
419 Other					0.00	0.00
420 Health Assistance:						
421 County Nurse	47,342.66				0.00	47,342.66
422 Health Services					0.00	0.00
423 Hospital					0.00	0.00
424 Ambulance					0.00	0.00
425 Board of Health					0.00	0.00
426 Women, Infants and Children					0.00	0.00
429 Other					0.00	0.00
430 Social Services:						
431 Day Care Centers					0.00	0.00
432 Child Support Enforcement					0.00	0.00
433 Care of Aged	19,300.00				0.00	19,300.00
434 Domestic Abuse	3,675.39				7,000.00	10,675.39
439 Other	13,000.00				0.00	13,000.00
440 Mental Health Services:						
441 Mentally Ill	12,121.45				0.00	12,121.45
442 Developmentally Disabled					0.00	0.00
443 Drug Abuse	14,367.14				0.00	14,367.14
444 Mental Health Centers	7,500.00				0.00	7,500.00
445 Mental Illness Board	26,794.41				0.00	26,794.41
449 Other					0.00	0.00
<b>Total Health and Welfare</b>	<b>150,601.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>7,000.00</b>	<b>157,601.05</b>
500 Culture and Recreation:						
510 Culture:						
511 Public Library	29,000.00				0.00	29,000.00
512 Historical Museum	6,000.00				0.00	6,000.00
513 County Monuments					0.00	0.00
514 Historical Sites					0.00	0.00
515 Memorial Day Expense					0.00	0.00
516 Arts					0.00	0.00
519 Other					0.00	0.00



FALL RIVER COUNTY  
 STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
 GOVERNMENTAL FUNDS  
 For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Building Fund	Fund	Other Governmental Funds	Total Governmental Funds
520 Recreation:						
521 Recreational Programs					0.00	0.00
522 Parks					0.00	0.00
523 Exhibition Building					0.00	0.00
524 County Fair	3,000.00				0.00	3,000.00
525 Senior Center	8,100.00				0.00	8,100.00
529 Other					0.00	0.00
Total Culture and Recreation	46,100.00	0.00	0.00	0.00	0.00	46,100.00
600 Conservation of Natural Resources:						
610 Soil Conservation:						
611 County Extension	54,533.94				0.00	54,533.94
612 Soil Conservation Districts	20,000.00				0.00	20,000.00
613 Rodent Control					0.00	0.00
614 Predator Control Districts					0.00	0.00
615 Weed and Pest Control	193,758.24				0.00	193,758.24
616 Grasshopper and Pest Control					0.00	0.00
619 Other					0.00	0.00
620 Water Conservation:						
621 Geological Survey					0.00	0.00
622 Weather Modification					0.00	0.00
623 Water Conservation Districts					0.00	0.00
624 Drainage Commissions					0.00	0.00
629 Other					0.00	0.00
Total Conservation of Natural Resources	268,292.18	0.00	0.00	0.00	0.00	268,292.18
700 Urban and Economic Development:						
710 Urban Development:						
711 Planning and Zoning					0.00	0.00
712 Urban and Rural Development					0.00	0.00
719 Other					0.00	0.00
720 Economic Development:						
721 Tourism, Industrial or Recreational Development	13,495.00				0.00	13,495.00
729 Other					0.00	0.00
Total Urban and Economic Development	13,495.00	0.00	0.00	0.00	0.00	13,495.00
750 Intergovernmental Expenditures	41,630.64				0.00	41,630.64
800 Debt Service					0.00	0.00
850 Payments to Local Education Agencies	85,254.60	6,304.56			0.00	91,559.16
890 Capital Outlay					0.00	0.00

FALL RIVER COUNTY  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - MODIFIED CASH BASIS  
GOVERNMENTAL FUNDS  
For the Year Ended December 31, 2023

	General Fund	Road and Bridge Fund	Building Fund	Fund	Other Governmental Funds	Total Governmental Funds
Total Expenditures	5,046,124.78	2,330,008.91	111,902.33	0.00	666,968.00	8,155,004.02
Excess of Revenues Over (Under) Expenditures	944,915.26	(242,427.30)	92,744.33	0.00	(278,572.58)	516,659.71
Other Financing Sources (Uses):						
371 Transfers In	5,359.37	150,000.00			335,459.74	490,819.11
911 Transfers Out	(485,459.74)				(5,359.37)	(490,819.11)
372 Long-Term Debt Issued					0.00	0.00
373 Insurance Proceeds	185,995.03	38,609.56			0.00	224,604.59
374 Sale of County Property					0.00	0.00
912 Payments to Refunded Debt Escrow Agent					0.00	0.00
915 Discount on Bonds Issued					0.00	0.00
Total Other Financing Sources (Uses)	(294,105.34)	188,609.56	0.00	0.00	330,100.37	224,604.59
(913) 376 Special Items					0.00	0.00
(914) 375 Extraordinary Items					0.00	0.00
Net Change in Fund Balances	650,809.92	(53,817.74)	92,744.33	0.00	51,527.79	741,264.30
Fund Balance - Beginning	5,316,838.17	1,989,357.12	1,953,383.49		927,013.78	10,186,592.56
Adjustments:					0.00	0.00
					0.00	0.00
Adjusted Fund Balance - Beginning	5,316,838.17	1,989,357.12	1,953,383.49	0.00	927,013.78	10,186,592.56
FUND BALANCE - ENDING	5,967,648.09	1,935,539.38	2,046,127.82	0.00	978,541.57	10,927,856.86
	Yes	Yes	Yes	Yes	Yes	Yes

The notes to the financial statements are an integral part of this statement.

ANNUAL REPORT FOR CITY OF HOT SPRINGS  
AS OF AND FOR THE YEAR ENDED DECEMBER 31, 2023

<b>GOVERNMENTAL FUNDS--MODIFIED ACCRUAL BASIS</b>							
	101 General Fund	211 Liquor, Lodging & Dining Fund	212 Additional Sales Tax Fund	213 BID #1 Fund	501 HS Capital Improvement Fund	701 Cemetery Perpetual Care Fund	Total Governmental Funds
<b>Beginning Balance</b>	3,917,022.96	73,070.92	2,509,484.73	141,794.66	2,991,706.37	63,924.47	9,697,004.11
<b>Revenues and Other Sources:</b>							
Taxes:							
Property Taxes	1,311,819.17						1,311,819.17
General Sales and Use Taxes	1,520,248.75	196,759.51	754,009.27				2,471,017.53
Amusement Taxes	0.00						0.00
Penalties and Interest on Delinquent Taxes	27,758.28						27,758.28
Licenses and Permits	72,951.50						72,951.50
Intergovernmental Revenues:							
Federal Grants	2,105.22		15,565.63				17,670.85
State Grants	86,924.36		85,860.00				172,784.36
State Shared Revenue	159,897.91						159,897.91
County Shared Revenue:	1,531.58						1,531.58
Other Intergovernmental Revenue	32,700.00						32,700.00
Charges for Goods and Services:							
General Government	18,554.15						18,554.15
Public Safety-inc. SRO \$	44,721.98						44,721.98
Highways and Streets	8,266.80						8,266.80
Sanitation	0.00						0.00
Culture & Recreation-inc. AP fuel	116,136.07						116,136.07
Cemetery	2,725.00					2,350.00	5,075.00
Other	0.00			83,098.42			83,098.42
Library	8,560.14						8,560.14
Fines and Forfeits							
Animal Control/Court Fines	375.00						375.00
Library Fines	3,571.80						3,571.80
Miscellaneous Revenue and Other Sources:	80.92						80.92
Investment Earnings	105,290.69					2,496.66	107,787.35
Rentals	94,391.52						94,391.52
Special Assessments			139,005.17				139,005.17
Maintenance Assessments	0.00						0.00
Contributions and Donations from Private Sources	0.00				3,060.00		3,060.00
Liquor Operating Agreement Income	212,827.83						212,827.83
Other Revenues	26,990.34						26,990.34
Sale of Municipal Property	0.00						0.00

Comp/loss damage to capital assets	56,812.68						56,812.68
Lease Proceeds	0.00						0.00
Long term debt issued	0.00						0.00
<b>Total Revenue and Other Sources</b>	<b>3,915,241.69</b>	<b>196,759.51</b>	<b>994,440.07</b>	<b>83,098.42</b>	<b>3,060.00</b>	<b>4,846.66</b>	<b>5,197,446.35</b>
<b>Expenditures and Other Uses:</b>							
Legislative	43,892.57						43,892.57
Financial Administration	290,837.12						290,837.12
Other General Government	148,197.20		66,931.38				215,128.58
Police	1,033,691.97						1,033,691.97
Fire	90,000.00						90,000.00
Protective Inspection	84,785.65						84,785.65
Highways and Streets	683,691.05		196,570.40				880,261.45
Sanitation-Street Cleaning	95,144.50						95,144.50
Airport	188,847.67						188,847.67
Cemeteries	73,058.10						73,058.10
Transit	5,000.00						5,000.00
Health-ACO	24,097.45						24,097.45
Recreation	13,497.54						13,497.54
Parks	192,993.62						192,993.62
Libraries	318,912.71						318,912.71
Auditorium	459,302.70						459,302.70
Economic Development and Assistance	29,921.82	202,512.00		99,981.31	720,489.27		1,052,904.40
Debt Service			182,002.00				182,002.00
Capital Outlay							0.00
<b>Total Expenditures and Other Uses</b>	<b>3,775,871.67</b>	<b>202,512.00</b>	<b>445,503.78</b>	<b>99,981.31</b>	<b>720,489.27</b>	<b>0.00</b>	<b>5,244,358.03</b>
<b>Transfers In (Out)</b>	<b>1,303,288.37</b>		<b>590,000.00</b>	<b>(2,000.00)</b>	<b>-1,590,000.00</b>		<b>301,288.37</b>
<b>Increase/Decrease in Fund Balance</b>	<b>1,442,658.39</b>	<b>-5,752.49</b>	<b>1,138,936.29</b>	<b>-18,882.89</b>	<b>-2,307,429.27</b>	<b>4,846.66</b>	<b>254,376.69</b>
<b>Ending Balance:</b>							
Nonspendable						50,000.00	50,000.00
Restricted	9,632.85	67,318.43	33,548.00	122,911.77	684,277.10	18,771.13	936,459.28
Committed			3,614,873.02				3,614,873.02
Assigned							0.00
Unassigned	5,350,048.50	0.00	0.00	0.00	0.00	0.00	5,350,048.50
<b>Governmental Long-term Debt</b>							<b>801,106.18</b>

**PROPRIETARY FUNDS--ACCRUAL BASIS**

	<b>Water Fund</b>	<b>Waste Water</b>	<b>Solid Waste</b>	<b>Golf Course</b>	<b>Evans Plunge</b>
<b>Beginning Balance</b>	4,942,386.31	5,149,089.67	321,153.22	1,456,972.34	834,813.04
<b>Revenues</b>	1,316,753.12	994,945.94	280,698.10	640,855.67	797,491.11
<b>Expenses</b>	955,517.98	629,547.20	278,018.83	745,634.27	747,693.80

<b>Transfers In (Out)</b>	<u>(259,259.35)</u>	<u>(131,249.46)</u>	<u>(10,000.00)</u>	<u>83,678.97</u>	<u>13,541.47</u>
<b>Ending Balance:</b>					
Net Investment in Capital Assets	4,138,072.22	4,174,035.35	-	1,171,273.01	555,494.11
Restricted for Debt Service	-	-	-	-	-
Restricted for SDRS Pension	-	-	-	-	-
Unrestricted	<u>906,289.88</u>	<u>1,209,203.60</u>	<u>313,832.49</u>	<u>264,599.70</u>	<u>342,657.71</u>
<b>Long-term Debt</b>	<u>994,459.99</u>	<u>674,236.53</u>	<u>-</u>	<u>-</u>	<u>930,000.00</u>

Notes to the financial statement are an integral part of this statement and may be obtained by contacting the Municipal Finance Office at 605-745-3135

Municipal funds are deposited as follows:

<b>Depository</b>	<b>Amount</b>
Wells Fargo Bank	\$ 12,515,080.95
SD FIT	\$ 414,007.62
<b>TOTALS</b>	<u>\$ 12,929,088.57</u>