

South Dakota Codified Law

CHAPTER 9-21A

CLASSIFICATION OF URBAN AND RURAL PROPERTY FOR TAX PURPOSES

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[9-21A-1. Legislative intent and purpose.](#) It is hereby declared to be the legislative intent and purpose of this chapter, pursuant to the provisions of S.D. Const., Art. XI, § 2, that the property within the corporate limits of municipalities be classified as urban and rural for purposes of ad valorem property taxation consistent with the provisions herein.

[9-21A-2. Definition of terms. Terms as used in this chapter mean:](#)

- (1) "Municipality," all municipalities as defined by § 9-2-1;
- (2) "Rural property," all platted or unplatted property not developed for commercial, industrial, or urban residential purposes within the corporate limits of municipalities and placed by the governing body thereof within the rural service district as provided by this chapter;
- (3) "Urban property," all platted property developed for commercial, industrial, or urban residential purposes within the corporate limits of municipalities and placed by the governing body thereof within the urban service district as provided by this chapter.

[9-21A-3. Establishment of urban service district and rural service district by ordinance.](#) The governing body of any municipality may by ordinance divide the area within its corporate limits into an urban service district and a rural service district, constituting separate taxing districts for the urban and rural property

classified for such purposes by this chapter and for purposes of all the municipal ad valorem property taxes, except those levied for the payment of bonds.

[9-21A-4. Rural service district--Lands included.](#) The rural service district shall include only such platted or unplatted lands as in the judgment of the governing body at the time of the adoption of the ordinance are rural in character, are used or usable for agriculture, and are not developed for commercial, industrial, or urban residential purposes, and for these reasons are not benefited to the same degree as other lands by municipal services financed by general taxation. The rural service district may include lands which are not contiguous to one another. The ordinance may designate lands outside the municipality which, if annexed, shall be included within the rural service district.

[9-21A-5. Urban service district--Lands included.](#) The urban service district shall include all lands within the boundaries of the municipality which are not included in the rural service district.

[9-21A-6. Agricultural land annexed--Limitation on tax levy and assessed value.](#) The ordinance shall determine that the tax levy and assessed value on the agricultural land annexed shall not exceed the average tax levy and average assessed value on unannexed agricultural land in adjoining townships in the county as long as the annexed agricultural land remains rural property as defined by this chapter.

[9-21A-7 to 9-21A-9.](#) Repealed by SL 2003, ch 45, §§ 2 to 4.

[9-21A-10. Platting or construction in rural district--Report--Transfer to urban district.](#) Whenever any parcel of land, owned by one person or by two or more persons jointly or in common at the time of its inclusion in the rural service district, is platted, in whole or in part, and whenever application is made for a permit for the construction of a commercial, industrial, or urban residential development or improvement to be situated on such parcel or any part thereof, the board or officer approving such plat or building permit shall report this to the governing body, which shall make and enter an order transferring such parcel from the rural service district to the urban service district.

[9-21A-11. Filing ordinance, amendment, or order with county auditor.](#) A certified copy of every ordinance, amendment, and order adopted or entered pursuant to this chapter shall be filed with the county auditor before it becomes effective.

[9-21A-12. Certification of tax levy to county auditor--Allocation and spread of levies.](#) The amount of taxes levied each year by each municipality shall be certified to the county auditor in the manner now or hereafter provided by law. Taxes levied for payment of bonds shall continue to be spread upon all taxable

property within the boundaries of the municipality in proportion to the assessed valuation thereof. The remaining amount of the taxes levied each year shall be allocated by the county auditor to the urban service district and the rural service district in amounts proportionate to the current benefit ratio times the current benefit between the full and true values of all taxable property within the urban service district and all taxable property within the rural service district. Within each district, the amount so allocated shall be spread upon all taxable property in proportion to the assessed valuation thereof.