



## SOUTH DAKOTA DEPARTMENT OF REVENUE

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The following reports are required for Intentions. Please submit to your DOR Field Staff by January 1, 2020:

- **Valuation Changes Worksheet** – Reports the overview of changes you plan to make and for what type of land class. If you are making county wide changes, you can summarize this on one sheet. If you are making different adjustments in different areas (raising houses in City A only, lowering lots in City B, etc.) use a separate sheet for each area.
- **Sales Analysis Spreadsheet** – List out all good non-ag sales, showing final, audited data. Must have at least 15 good sales for proper analysis; if you do not have enough sales in one year, then you may use up to 2 previous years' worth of data until you do. Enter changed values due to Intentions in final columns and recalculate ratios. Only final data as reported in the Sales Ratio Website will be used by the Department for final analysis.
- **Preliminary Countywide Abstract** – This report is preliminary and does not need to show your final non-ag values; it is used primarily to check your Ag level of assessment. The Productivity Methodology states that agricultural land is to be valued on its agricultural income basis. To be compliant, you must ensure that the updated top dollars from the Productivity Worksheet for both crop and noncrop are applied in your system.
  - If the bare ag land average dollar per acre is matching (or within a minimal deviation) of the Productivity data, then you will be at 100% level of assessment.
  - If your average bare ag land dollar per acre is lower than the Productivity data, but you have documented and approved ag adjustments, DOR will still consider you at 100%.
  - If your average is low and adjustments on ag land are not in statutory compliance, you will receive a lower level of assessment, and your factor will be greater than .850.
- **Land Inventories** – This is a computerized report of all soil map unit. The report should show crop/noncrop designation, rating, \$ per acre, number of acres, and valuation for each soil type. We require a countywide inventory, as well as one for each township.
- **Ag Adjustment Data** - All ag land adjustments must be reported each year. Provide and explain all data used to determine why each adjustment was needed, how the adjustment was determined, and how the adjustment was applied.
  - Includes **Inundated by Floodwaters and Buffer Strip reductions**

### **\*IMPORTANT\***

Current state law does not allow adjustments for conservation easements or actual use; the Office of Hearing Examiners has agreed with this opinion. As such, DOR will not approve adjustments for conservation easements or actual use until the legislature specifically authorizes this type of adjustment.

Remember you will be getting only one AG equalization factor and one NA equalization factor. You will not be getting a separate crop and non-cop equalization factor.

To be sent to your Department of Revenue field staff by January 1, 2020

## ADMINISTRATIVE RULES FOR INTENTIONS PROCESS

**64:04:01:31. Establishing equalization factor.** For the department to accurately establish the equalization factors, each county shall supply the following information no later than January 1 of the year the factor is to be established:

- (1) Summary of changes made to assessments for the current assessment year;
- (2) Printout of county-wide abstract reflecting changes made for the current assessment year;
- (3) Printout or electronic file of sales for the last assessment year showing current year assessment. If there are less than fifteen sales of nonagricultural property, the county shall supply this same information, for the number of years necessary to obtain the fifteen sales; and
- (4) A county-wide printout of the land inventory for assessed acres showing soil survey map units, capability rating used for each map unit, dollar values and acres for each map unit for the current assessment year.

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**64:04:01:30.01. Director of equalization permitted to make adjustments to values when using productivity valuation to establish value.** The county director of equalization may adjust values when using the productivity valuation method of valuing agricultural land. The adjustments shall be made equitably and uniformly. Any adjustment made shall be based on documented evidence that the adjustment is necessary for equalization of values. When making any adjustment, the director of equalization shall:

- (1) Identify the adjustment and give the reasoning for making the adjustment;
- (2) Identify the amount of the adjustment and the methodology used to determine the amount of the adjustment;
- (3) Identify the methodology used to apply the adjustment to all the properties that received the adjustment; and
- (4) Provide to the department a printout of the land inventory for assessed acres showing soil survey map units, capability rating used for each map unit, dollar values, and acres for each map unit for the current assessment year. The printout shall show this information for each organized township, by township/range for each unorganized township in the county, and also contain a county-wide summary of the information.

The adjustment, and the documentation supporting the adjustment, shall be reported to the department at the same time information is submitted pursuant to § 64:04:01:31.

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**64:04:01:31.01. Department to review adjustments for consideration in determining equalization factor.**

To determine the agricultural equalization factor for a county, the department shall consider information submitted pursuant to § 64:04:01:31. The department shall also consider any evidence submitted for value adjustments made when using the productivity valuation method of valuing agricultural land. The department shall review these adjustments to determine if such adjustments were necessary, based on the supported documentation, and made uniformly and equitably.