

**Minutes of SDAAO District 8
Wednesday, October 12, 2011, Webster, SD**

Members Present:

Melissa Roe	Hamlin County
Kathy Steinlicht	Grant County
Darwin Conrad	Grant County
Bonnie Fosheim	Dept. of Revenue & Regulation
Donna Rhody	Deuel County
Shannon Lee	Marshall County
Barbra Block	Day County
Dari Schlotte	Day County
David Paulson	Clark County
Scott Currence	Roberts County

Chairman David Paulson called the meeting to order and welcomed everyone. The first announcement was that Barbra from Day County passed the CAA test and is now a certified appraiser. Congratulations to her!

Vanguard Appraisal has a Mass Appraisal class on November 8th and 9th and a Users class on November 10th. Heidi Thorson of Codington County is interested if anyone in District 8 is going to either of the meetings. Contact her if you are going. Rownea Gerbracht in Perkins County has more information on these meetings. She can be contacted at (605)-244-5623. Some counties have made the switch to Vanguards software or will be switching soon. Some prefer the software to others and the cost is said to be less.

A handout from a Kelo-Land News article was discussed. A legislative task force is going to ask the legislature to relax a cap on annual increases in taxable value on agricultural land.

Mobile home depreciation was discussed. Clark and Roberts County uses sales and a depreciation schedule to determine depreciated value. Melissa in Hamlin County noted that mobile homes in her county are holding value and are not depreciating. Grant County uses Marshall & Swift to determine depreciation and places a flat-rate value on older mobile homes. Deuel County's mobile homes don't increase in value. Sales determine depreciation. Marshall County uses Marshall & Swift and sales to determine depreciation. Shannon asked if

anyone depreciates mobile homes a specified percentage per year? Nobody in District 8 does this. Day County uses Marshall & Swift and sales to determine depreciation. Dari also stated that newer mobile homes are not depreciating as fast as they did in the past. Melissa asked if a mobile home should be valued differently or an adjustment made if it is on a concrete foundation. Nobody values the mobile home itself differently, but value is added for basement or a concrete foundation.

David reminded everyone that it is a courtesy to let other counties know if a mobile home, grain bin or other structure is moving into their county.

A copy of a Watertown Public Opinion article was handed out concerning the recent Ag Land Task Force meeting in Pierre. Main topics were the effects of the productivity system on leased school and public lands and crop-rated soils that are not being used for crops. Another topic was CRP, federal and wildlife easement land, and land broken for crops and returned to grassland. All of these situations lead to the landowner potentially paying a level of tax that may not correlate with the actual productivity of the land.

Darwin asked if any counties are making a value adjustment for agricultural land with drain tile. Nobody in District 8 makes this adjustment. Scott had asked Dr. Pflueger of SDSU if an adjustment should be made and the answer was no, an adjustment should not be made as tiling is a management decision.

Ag. land adjustments may be made by counties, but it is stressed that the adjustments must be documented. Adjustments must be approved by Colleen. Clark and Deuel counties are looking at making adjustments based on sales. Donna stated that Dr. Pflueger has county productivity yields broken down by townships. This data has been compiled using crop insurance reports.

Any suggestions concerning SDAAO assessor's school may be passed along to Bonnie Fosheim.

Applications for adjustments to flooded farmland must be turned in by November 1st. SD Codified Law 10-6-33.31 states that adjustments may be made to ag land that is in-accessible due to flooding. It was asked if the in-accessible land should be valued as marshland. The consensus was that in-accessible land could be valued as marshland due to it being non-productive. It was also argued that any value other than marshland value would be difficult or impossible to justify.

Kim Markley from Spink County provided a checklist of procedures and tasks to be done in the assessor's office before assessment notices are mailed out. Bonnie can email us this checklist so we can modify it as needed.

David brought up the topic of assessing larger propane tanks. These are the tanks that are mounted to concrete piers and generally hold a tanker load or more of propane. It was agreed that these tanks need to be assessed. Make certain that the tank is actually owned by the land owner vs. being leased.

The SD Planning and Zoning Conference will be held October 26 & 27 in Huron at the Crossroads. Anyone interested in going should contact Jan at First District at 882-5115. David and Shannon are both attending this conference.

The differences between modular and manufactured homes were discussed. A handout was provided stating facts on both of them. Main points stressed on modular homes are that a modular home is built in sections at a factory and is never titled. A modular home should increase in value over time in the same manner as a conventional home. Manufactured homes are constructed on a non-removable steel chassis and generally decrease in value over time.

David provided a simple, useful formula for calculating yards of concrete required for a project.

A handout was provided that states requirements and definition of an egress window.

With new construction being inspected, grain bin safety was brought up. Do not enter a grain bin with grain in it! Measure the bin from the outside. Measure one sheet and count the number of sheets around the bin and from top to bottom. Multiplying the number of sheets around the bin times three will calculate the diameter.

$D2 \times .7854 \times \text{Height} \times .8 = \text{Bushels}$

It was noted that some bins have the size printed inside the door. Donna noted that Behlen bins are metric and formulas listed above will have to be adjusted accordingly.

Bonnie let us know that there will be an executive board meeting on November 4th in Pierre. She also said that Mike Houdyshell is the new Director of Property & Special Tax and will officially start on October 24th.

Shannon asked if property acquired due to vacation of a street or alley needs to be listed on a new property card or if it can be added to the card respective to it. Everyone said to list the new property on the existing cards of the respective properties.

Also questioned was the owner occupied status of out-of-state residents with lake property in South Dakota. Some counties will give their property owner occupied status and some do not.

David asked if a party has two homes in their name, and the folks live in one of the properties, can both be listed as owner-occupied. The law says that they can.

If a home is 50% complete on November 1st, is it to be assessed? Everyone said yes, it is to be assessed with a partial value.

There being no more business, Darwin made a motion to adjourn. Motion seconded by Donna. Meeting adjourned.

Respectfully Submitted By:
Scott Currence, District 8 Secretary