

Meeting Minutes of SDAAO District 8
Wednesday, March 26, 2014 – 10:00 a.m.
Day County Courthouse, Webster, SD

Members Present:

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| Barbara Block | Day County |
| Donna Rhody | Deuel County |
| Shannon Lee | Marshall County |
| David Paulson | Clark County |
| Scott Currence | Roberts County |
| Shawna Constant | Codington County |
| Dari Schlotte | Day County |
| Kathy Steinlicht | Grant County |
| Ryan Gruba | Grant County |
| Melissa Roe | Hamlin County |
| Bonnie Fosheim | Dept. of Revenue |
| Heidi Thorson | Codington County |

The meeting was opened with discussion concerning House Bill 1097. Most were in agreement about the origination of the bill, i.e. where did it come from? Grant County director, Kathy Steinlicht, commented how she felt the worst aspect of the bill was the management clause stating that if one owned several parcels of land around the state they could be combined to qualify for Ag valuation. She stressed the significant increase in time consumption that clause would have for the Equalization offices as we would need some way to track who owns what and where to combine it all – that would require either more paperwork to be filed by land owners or more phone calls to Equalization offices across the state. Others agreed that with the low gross income earned at \$1000 the state should just omit the income requirement altogether because of the ease of grossing \$1000 on an Ag venture. All were in agreement that if changes were made to the Ag criteria, these are not the appropriate changes. The bill passed the House of Representatives but was stopped by the Senate, and was sent to summer study and will be monitored.

Dari Schlotte informed the group that he spent time dealing with a different bill concerning flooded lands that bordered roads with access points becoming open for hunting or fishing to the public. Essentially anyone could access private land and hunt or fish it without permission from the owner. The bill was dropped for the year and looks to be discussed in the upcoming summer session.

The next topic discussed was US Fish & Wildlife perpetual grassland easements and whether or not they should receive grassland/non-crop rating adjustments. The state has notified counties they should not make adjustments unless they have sales to support such adjustments. Grant and Codington Counties make adjustments and have sales to support their adjustments. Soils are still subject to productivity increases. Grant County requires landowners to bring easements to her office before making any adjustments. When asked how landowners knew to do so, she stated she notified township boards and they passed the word along. It was discussed that counties might want to look to bordering counties in order to find sales concerning land with easements, grassland or wetland. Hesitations remain for several directors who feel the land still produces revenue as many grassland easements do not restrict haying or pasturing practices, and others were hesitant about having sales to support adjustments.

Wetland easements were also discussed. Roberts County uses a flat rate \$450/acre parcel adjustment, supported by sales, on perpetual wetland easements. Hamlin County reduced easement soils to non-crop ratings. Day and Marshall Counties have an abundance of wetland easements and are hesitant to make any adjustments without further research into the best way to handle them. The largest concern for Directors was the fact that land with these wetland easements cannot possibly sell in the same market as good,

tillable farm land, yet because of the productivity method of valuation, these wetlands are being valued the same or more than tillable land, a problem that did not exist before productivity. It was suggested the state remedy the discrepancy by making a ruling or if not that avenue, through legislation.

There was brief discussion about the 9300 code. All were sure to run it this year, though many counties did not have many parcels with the message due to the difference between crop and non-crop top dollars. Also, we learned you can exclude certain miscellaneous codes from the 9300, such as veteran's exemptions, elderly tax freeze parcels. These parcels must go back to their full and true values for the yearly assessment notices and do not get changed until county boards. Leaving the 9300 code message off of their assessment notices prevents undue concern on the part of the property owners, whose properties may have only gone up because of the program they are enrolled in.

A round-robin discussion of appeals followed and most counties surprisingly do not have many, if any, appeals to bring to the county boards. Bonnie Fosheim from the Department of Revenue stated the "shortage" of appeals seemed to be a trend statewide, even in counties that raised values.

A quick reminder that the 150% Rule ends as of July 1, 2014. Fosheim stated we are to do transfers before July 1 as we have been, and those after should be done without considering the 150% Rule. There was some discussion about how this will affect sales ratio calculations.

Also quickly discussed was owner occupied status and denying such, as in when to deny, who to deny, steps in the process, any differences among counties (which were few and minor). The largest concerns were people who live out of state, and the elderly who live in homes owned by their children and how to deal with the owner-occupied status when these people go into a nursing home or pass away.

Finally, several more topics were run through briefly:

- Longevity pay – who gets it, when is it earned, how is it received;
- Elected vs. Appointed positions – are appointed positions treated as for elected positions? In our district appointed positions are not treated the same as elected positions;
- Pro's and Con's of online USPAP courses – while it may be cheaper without hotel and travel expenses, and convenient to come and go while running through the course online, the benefit of being in person is asking questions and dedicating your full attention to the course. It was mentioned the most effective way to utilize the online courses is when a person is very knowledgeable about the topic;
- The need for appraisal workshops was mentioned to the education committee members present;
- We discussed options for the summer meeting – location, possible tour;
- Bonnie Fosheim stated sales ratio and compliance reports will be mailed soon;
- The question was posed as to who had received their factor – Clark County was the only one who had.

Motion to adjourn made by Donna Rhody, seconded by Heidi Thorson. Meeting adjourned at 11:50 a.m.

Respectfully submitted by:
Melissa Roe, District 8 Secretary