



# Buffers for our waterways

## In South Dakota, proposals seek tax incentives for agriculture producers as way to keep pollutants out of lakes and rivers

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Farming and ranching are South Dakota's biggest industries. Together they contribute \$21 billion to our economy. Our history and culture are tied to agriculture.

Unfortunately, crop and animal production has contributed to the pollution of our lakes and rivers — and good stewardship of our natural resources is another strong part of our culture. The decline in water quality also threatens our fish and wildlife heritage.

The Big Sioux River, which flows for 420 miles north and south across our most fertile cropland, was recently named to a list of America's dirtiest rivers. Many other lakes and rivers are also being harmed.

But farmers and ranchers are historically good stewards of our outdoor resources, and on this issue our agricultural community has been at the forefront of efforts to find solutions.

That is very encouraging because we'll need everyone in order to make progress. With that in mind, we continue to work on policies in the Legislature that encourage the use of riparian buffers, a proven way to protect our waterways.

South Dakota is rich in rivers, lakes and streams — a blessing for wildlife but a challenge for us as policymakers.

In 2015, we watched our neighbors to the east in Minnesota enact a legislative mandate for riparian buffers. Their program seemed like a good start, but mandates are not popular in South Dakota, so we tried a voluntary, "carrot" approach during the 2016 legislative session with SB 136, of which I was the prime sponsor in the House.

The bill was drafted by state Sen. Jim Peterson, a well-respected farmer from Reville who chairs the Legislature's Agricultural Land Assessment Implementation and Oversight Advisory Task Force.

SB 136 did not become law, but the idea behind it will be revisited in 2017: Find a way to provide incentives for agricultural producers to install riparian buffers.



Riparian buffers help reduce nonpoint source pollution of waterways from adjacent land, lessen bank erosion and protect wildlife and aquatic environments. (Photo: U.S. Department of Agriculture)

### How riparian buffers protect water

Riparian areas are simply the transitional zones between land and water. A "healthy," grassy riparian area is extremely important to water quality because it screens sediment, nutrients, pesticides and other materials that would otherwise drain into lakes and rivers. (These areas are also critical to fish and wildlife habitat, especially pheasants.)

When uncontrolled runoff occurs on tilled land, the sediment can carry pollutants such as phosphorus, a nutrient commonly used in fertilizers. When phosphorus enters our lakes, it causes excessive algae growth and depletes oxygen levels in the water — which degrades water quality.

Towns along the waterways spend millions of dollars every year to clean the water for human consumption. Some of South Dakota's largest cities lie along the troubled Big Sioux River, including

Watertown, Brookings and Sioux Falls.

Concerns about costs and water quality point to the need for the use of more grass buffer strips, which have the capacity to remove 50 percent or more of nutrients and pesticides and 75 percent or more of sediment. Properly maintained buffer strips along waterways are also a proven way to diminish soil erosion.

### The 'carrot' approach in South Dakota

In South Dakota, agricultural land is taxed by two classifications of soil type: cropland and noncropland. On the same piece of ground, the difference in taxation between the two classifications can result in a difference of about 25 percent on property taxes.

SB 136 would have encouraged landowners to voluntarily put crop-rated soils within 50 feet of a lake, river or stream to use as a riparian buffer. This land would then be assessed as noncropland.

Even though the bill passed the Senate 36-0 and the House 58-9, it was vetoed by Gov. Dennis Daugaard. The Senate overrode the veto 32-1, but the House failed to override, on a vote of 37-28.

In his veto message, the governor said SB 136 would result in a loss of property tax valuation and shift the tax burden to other property owners. The governor also noted that he had a problem with definitions within the bill and with possible unintended consequences.

But as this article was being written, Gov. Daugaard announced he was drafting his own measure for the 2017 legislative session (see summary box at left for details).

Though it would have been nice to start the program last year, perhaps the wait has convinced others of the importance and value of riparian buffers. Sen. Peterson has retired from the Senate, so he won't be in Pierre to help pass the governor's package. Still, his passion for the issue will not soon be forgotten by our colleagues.

We hope that at this time next year, all South Dakotans will be benefiting from the increased use of riparian buffers — and the waterways that they help protect. ★

South Dakota House Minority Leader Spencer Hawley, a Democrat from Brookings, was first elected in 2010.

### Overview of South Dakota governor's draft bill on riparian buffers

Section 1 creates a separate classification for eligible riparian buffer strips and provides for a reduced property tax assessment for this type of land.

- Only agricultural land within 120 feet of a listed lake, river or stream that meets certain criteria is eligible to be classified as a riparian buffer strip. (The classification covers 575 lakes and some 11,000 miles of streams.)
- The strip must be in perennial vegetation 50 to 120 feet wide.
- Owners of such land will receive a tax reduction for crop-rated and noncrop rated soils at 60 percent of its assessed value.

Section 2 establishes criteria and the application process for the buffer strip classification.

- Perennial vegetation in a strip can be harvested or mowed after July 10, but at least 6 inches of cover must be maintained at all times.
- Grazing in the area is prohibited from May 1 through Sept. 30 (the recreation season set by South Dakota's standards for surface water quality).

Section 3 provides a penalty for anyone who misrepresents facts to receive a reduced assessment.

- Violators will pay a penalty of \$2 per \$1,000 of taxable valuation on the land; the penalty becomes a lien on the property until it is satisfied.

### Submissions welcome

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