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Tax Delinquency and County Ownership of Land in South Dakota

R. B. Westbrook

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By

R. B. Westbrook

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Agricultural Economics Department
Agricultural Experiment Station
South Dakota State College of
Agriculture and Mechanic Arts
Brookings, South Dakota

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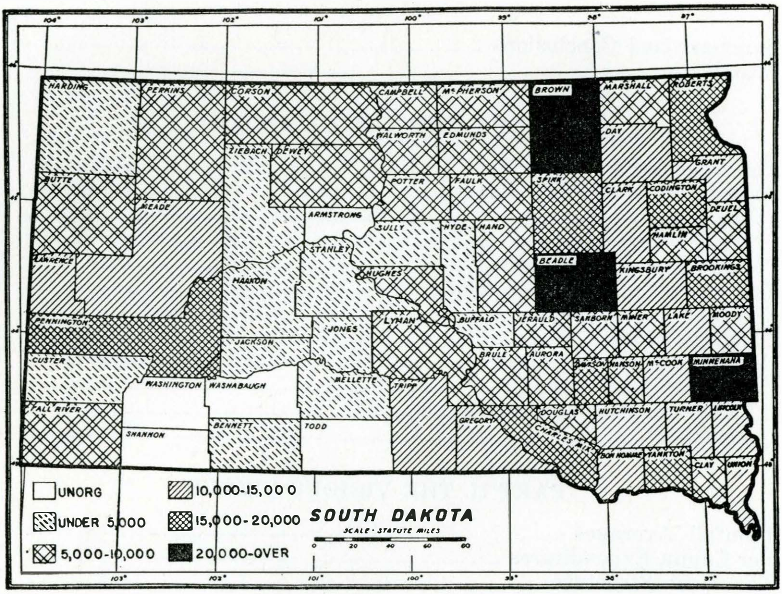

POPULATION OF SOUTH DAKOTA BY COUNTIES—Prepared by George Phillips with the assistance of the State Planning Board.

Tax Delinquency and County Ownership of Land in South Dakota

By R. B. Westbrook

Summary and Conclusions

Part I. The Tax Calendar

The tax laws and their administration are a potent factor in tax delinquency and the ultimate confiscation of property by the counties because of the non-payment of taxes and interest. It is the purpose of this paper to evaluate the tax laws and their administration, and to make recommendations for their revision. Some of these suggestions may seem revolutionary, but a property tax system that is breaking down is naturally in need of drastic reforms. There follows a summarized statement of these findings and recommendations.

1. Though the assessment law affords an equitable base from which the assessor is supposed to work, in the absence of soil surveys, soil maps, land classification, etc., it is impractical, and tends to give rise to a uniform, aggregate valuation. This results in serious inequalities which increase tax delinquency.

2. The local review boards should be able to correct many of these inequalities, and that is in part the purpose for which they were established, but they are no better prepared to do so than the assessors. Hence the necessity for thousands of these boards is somewhat questionable.

3. Since the county boards can also do little to lessen inequalities, perhaps the elimination of one set of review boards would be highly justifiable. Due to the two sets of review boards, too much old-fashioned "buck passing" now takes place.

4. The State Board of Equalization may do a great deal to eliminate injustice between counties, but it has no data and no present means of acquiring data of a kind and character sufficient to serve as a state-wide check on the property tax. In this connection a law requiring that the sales price be placed on deeds for comparative purposes is a vital need.

5. Where tax delinquency is involuntary, a high interest rate on the amount of the delinquent tax is not advantageous to the county, is a decided handicap to the taxpayer, and has the ultimate effect of forcing more land into county ownership.

6. If the tax calendar could be shortened from eighteen to nine months, the loss of taxes would be materially reduced; personal property would have more difficulty in escaping taxation; there would be less opportunity to strip land of its resources; and less opportunity for land values to change between the time of assessment and beginning of tax delinquency.

7. The tax title buyer disappears during depressions, since the investment in taxes amounts ultimately to a purchase of unwanted land. The tax sale machinery is therefore ineffective when most needed and should be abolished.

8. The tax contract laws are possibly unconstitutional, but regardless of constitutionality, the ill effects of this form of legislation will long be felt, and the pressure for continuous tax compromise will arise with the development of adverse economic conditions.

9. The county tax deed is probably one of the weakest of legal instruments, and the process known as "quieting title" is far too involved. If the tax deed procedure were abolished and if the tax lien were enforced by foreclosure in the same general manner as mortgages, everyone involved would be benefitted.

10. The terms of any lease of county property should call for advance cash payments and larger down payments. Any other arrangements tend to throw the counties into the farm business on a large-scale partnership basis, usually resulting in loss.

11. In selling land and in issuing a contract for deed the counties should act more promptly in case of default on the payments.

12. Finally, now that the land has been forced into public ownership, most of it should not be sold to private individuals, but should be kept permanently in county hands for purposes of better control if proper usage cannot be assured under private ownership.

Part II. The Vicious Circle

The most powerful factors creating tax delinquency in the state are not of a legal or administrative character, connected with the property tax system, but arise out of inadequate adjustments to deep-seated economic and physical causes, the latter uncontrollable.

The rainfall averages gradually decrease to the west, becoming insufficient for stable crop conditions, and making it impossible for the mixed range-farm economy to successfully support itself during periods of drought. As the rainfall averages decrease and physical conditions become more unstable, population becomes sparse, resulting in high public per capita expenditures, high per capita taxes, and high public and private per capita indebtedness, all of which are so interrelated as to reduce or eliminate farm net income and retard the accumulation of wealth. If public and private activities are not properly adjusted to the environment, tax delinquency and confiscation of property by the counties follow. The thinning of the tax base forces the local units to raise mill levies, creating higher per capita burdens, more delinquency, and more public ownership. Drought and depression intensify these interrelations, and complete the vicious circle. Obviously, some form of government guidance and control is needed.

Part III. Control and Supervision of County-Owned Land

There follows a summary of the findings of this investigation on the status of county-owned land, with some recommendations for its future control.

1. The county tax deed land brings in satisfactory rental revenues only when cash leases are executed and payments are made in advance. All other arrangements have proven unsatisfactory to the counties. For one thing, the share basis tends to put too heavy a supervisory burden on the county representatives.

2. Leases run from one to five years subject to sale.

3. Rents vary from an emergency rate on range land of 2½ cents an acre a year in Harding county to 10 cents an acre in Corson county, with a restrictive rate of 12½ cents an acre on farm land in Harding county, as distinguished from grazing land, charged to discourage farming. Most of the county-owned land west of the Missouri River is rented at annual rates varying between 5 and 10 cents an acre.

4. The maintenance policy consists primarily in spending the least amount possible on the county-owned property.

5. The courthouse records of county lands have been hastily devised, and even when well maintained do not ordinarily give sufficient information. Marshall county in the northeast and Corson and Pennington counties in the west are exceptional in the excellence of their accounting records, which might well serve as models for other counties with similar public finance problems.

6. The problem of the care and supervision of the tax title land has been attacked and partially solved in Marshall county under R. F. Comstock, acting as land agent, and in Pennington county by William Meyers, acting in a similar capacity. Harding county is responsible for the initiation of the "block plan" (see page 46) which seems to work well in range territory.

7. Rents are low in relation both to the previous tax assessed against the land and to taxes on adjoining property. Experience will determine if the rate of 2½ cents per acre in Harding county is adequate.

8. The newly-created "public domain" is now owned principally by the counties, and there it should remain until some distinctly better plan can be devised for its control and supervision. In order to take care of this domain, land agents should be appointed where the counties possess huge range acreages, or where many farms with buildings have been taken over. Supervision of the work of the land agent and the shaping of a definite land policy present no greater difficulties to the county than to any other unit because: (a) the township as a control unit has no clear advantage over the county; (b) the state has its own land problem; (c) the federal agencies can handle no immediate additional responsibilities.

Introduction

Tax delinquency is increasing steadily in South Dakota. Large areas in the state have simply ceased to carry property taxes and are publicly owned. Moreover, an ever-increasing amount of land is journeying rapidly toward public ownership.[1]

Causes of such delinquency are varied and complex. No doubt many delinquent taxpayers have been influenced by the hope of partial escape through tax compromise. As a result there has developed a feeling on the part of those property owners paying taxes that they are being imposed upon by those who do not—a judgment which, as we shall see, is not entirely unfounded. This feeling in turn is responsible for considerable voluntary tax delinquency on the part of people able to pay. However, since they offer a problem that can be relegated to the tax collecter, their delinquency is relatively less serious than that arising from other sources. As one authority says:

"The real problems of extensive delinquencies are beyond the collecter and the assessor; they lie in the field of sociology and economics, and directly within the function of the legislature in its choice of bases of tax payments. It is well known that much voluntary delinquency exists (even conspiratory delinquency in the form of tax strikes probably exists in scattered instances), and yet it is so intermingled with economic or necessary delinquency that the problem cannot be treated as resulting solely from a perverse attitude on the part of taxpayers."[2]

In South Dakota several counties have been for at least one year or more, 25 to more than 50 per cent tax delinquent.[3] Also, the state as a whole is experiencing a serious strain in the property tax system, due to deep-seated internal legal and administrative causes and, more fundamental still, to certain external economic and physical causes.

Although framed with the purpose of preventing tax delinquency, the laws and their manner of administration at times tend to increase tax delinquency. It is a known fact that, due to poor administration, property in South Dakota may be assessed at anywhere from 10 per cent to 350 per cent of its sale value; that owners of low-value farms tend to be over-assessed, and owners of high-value farms tend to be under-assessed; and that the better and older farming areas are subject to much less variation in assessment than are the more recently organized areas in which agriculture is a somewhat more precarious occupation.[4]

This inequality of assessment naturally encourages and accounts for a considerable amount of tax delinquency, but it is not as serious as the maladjustment to the physical factors. The property tax is in disrepute in many localities throughout the nation, but in addition in parts of this state the defects of the poorly administered local tax system are intensified by a serious land use problem. All areas where rainfall has been

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1. Unpublished figures of the South Dakota State Planning Board.

2. Donald Jackson, "Tax Delinquency of Rural Real Estate," **Law and Contemporary Problems,** School of Law, Duke University, June, 1936.

3. See Table 7.

4. R. B. Westbrook and N. V. Strand, "Inequalities Arising from the Assessment of Farm Real Estate in South Dakota," Bulletin 300, South Dakota Agricutural Experiment Station, March, 1936.

insufficient for farming purposes show a great amount of tax delinquency, resulting in an unusual number of tax certificates due to the county—certificates dating back several years; indeed, in some areas a new "public domain" is now owned by the various tax-levying jurisdictions, the school districts, the counties, the state, and the federal government.[5] Operating in conjunction with this land economics problems has been the usual economic cycle, resulting in price deflation of farm products and for some the disappearance of farm net income. These cyclical phenomena, combined with an unusually long period of drought, have brought into sharp relief the whole tax problem by greatly increasing tax delinquency and public ownership of land.[6]

In order to treat the problem under its various phases, this bulletin is divided into three parts. Part I considers the legal channels through which land passes on its way from private to public ownership and back again to individual ownership. Beginning with the initial tax delinquency it follows through step by step to the sale of land and its re-listing on the tax records. Specific criticism of the tax laws and their administration is made. Special emphasis is placed upon the fact that at each stage the statutes endeavor to give every possible opportunity to owners or equity holders to assert their rights and prevent the passing of the land into public ownership.

Part II describes the nature of the complicated interrelationships between certain physical factors, tax delinquency, high per capita expenditures, indebtedness, and the public ownership of land. Part II shows that each of these factors becomes both cause and effect, the interrelationships increasing in intensity to the west and north with decreasing rainfall averages. It will be seen that the chief cause of much of this increase in tax delinquency appears to be maladjustment between the physical environment and the type of agriculture together with the public services attempted in the area.[7]

In the third and final part of the bulletin, the care and supervision of the land owned by the counties is taken up in detail; rentals, taxes, maintenances, leases, and records are discussed. For the many problems to whose solution the cumbersomeness of local government appears to be a stumbling block, several alternate plans are considered, both their advantages and their disadvantages being discussed.[8]

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5. See Table 7.
6. See Tables 8-12 in the Appendix.
7. Soil depletion also has a definite bearing on the whole tax problem, but is not discussed here because of lack of sufficient data.
8. See Appendix Tables 8-12 for statistical evidence.

Part I

The Tax Calendar

At least part of the tax delinquency in South Dakota is the result of state statutes and their manner of administration. The manner in which the tax laws are administered probably contributes more to tax delinquency than provisions of tax laws.

The tax calendar summarized below traces the property tax process through its various steps to public ownership and final resale into private hands. Though brief, and in spite of frequent detailed modification of the statutes, the following account of the steps in assessment, equalization, taxation, tax sales, contracts, deeds, and contracts for deed is approximately correct. Following this summary, the various steps will be analyzed and criticized from the standpoint of their bearing on tax delinquency and public ownership.

Tax Calendar for 1936-37[9]

1936: May 1
Assessment of real estate begins and is continued throughout May and June until completed. All assessments are to be given their actual sales value as of May 1, 1936.[10]

June: Third Monday
In all organized townships and incorporated cities and towns the local review board meets and may sit in session six days or any part thereof. Each board equalizes between individuals in its district.[11]

July: First Tuesday
The county board, composed of the county commissioners and the county auditor, meets and may sit in session fifteen days or any part thereof. This board equalizes assessments between townships, cities, and towns and between individuals in the unorganized townships. This board may also act as a local review board and raise or lower assessments among the different classes of property.[12]

August: First Monday
The Director of Taxation, the Assistant Director of Taxation, and the State Auditor, comprising the State Board of Equalization, meet and may sit in session twenty-one days or any part thereof. This board equalizes between counties and may, on a percentage basis, raise or lower assessments among the different classes of land. Also it may review appeal cases brought by any person against the acts of the county board relative to the assessment of his property.[13]

August: Fourth Monday or as soon thereafter as possible
The State Board gives to the various county auditors certificates of assessment and equalizatiton, showing the final equalization of the property in the county as determined by the Division of Taxation.[4]

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9. This section has been carefully edited by Benjamin Mintener, Assistant Attorney General, assigned to the Division of Taxation.

10. Sections 6666–6707, Code, 1919, South Dakota; Sections 6671–6723–D, Compiled Laws, 1929, South Dakota.

11. Section 6724, Revised Code, 1919, South Dakota: Sections 6724–6727, Compiled Laws, 1929, South Dakota, as amended by Chapter 240, Session Laws, 1937.

12. Sections 6728–6734, Revised Code, 1919, South Dakota.

13. Section 6735, Revised Code, 1919, South Dakota, as amended by Chapter 186, Session Laws, 1933.

14. Section 6590, Revised Code, 1919, South Dakota.

September: First Tuesday or within ten days thereafter
The county board of commissioners makes the levies for the different funds. The school, township, city, and town boards file their records with the county auditor.[15]

1937: January 1 or before
The county auditor records the assessed value of the county from the equalization sheet set by the Division of Taxation and computes the levies for the different tax-levying jurisdictions. These must be given to the county treasurer. They then become the 1936 taxes payable in 1937.[16]

January 1
1936 taxes become due.[17]

May 1
The first installment of the 1936 taxes becomes delinquent and subject to a 1 per cent interest penalty and to a further 1 per cent on the first day of each succeeding month that the installment remains unpaid.[18]

November 1
The second installment of the 1936 taxes becomes delinquent. These two installments are subject to the 1 per cent penalty per month described above.[19]

December: Two weeks prior to the third Monday
A list of delinquent taxes is published once each week for two successive weeks in all official newspapers.[20]

December: Third Monday
A tax sale of all delinquent parcels is held by the county treasurer. A parcel or a number of parcels are sold to any person willing to pay the back taxes, plus interest, and the publication cost. The highest rate of interest allowed on tax sale certificates is 8 per cent. If there are no private bidders, a certificate of sale is issued to the county.[21]

1941: Third Monday of December
Four years from the date of tax sale, proceedings may be commenced to take tax deed.[22] A notice of intention to take tax deed must be filed with the interested parties, and proof of the service of such notice with the county treasurer. Within sixty days the individual purchaser or county may take tax deed.

Return to private ownership
Property so acquired by the county may then be sold by the county commissioners.[23] Before being sold it is given a final appraisal. Notice

15. Section 6749, Revised Code, 1919, South Dakota.

16. Sections 6754–6755, Revised Code, 1919, South Dakota; Sections 6754–6757, Compiled Laws, 1929, South Dakota.

17. Sections 6758–6759, Revised Code, 1919, South Dakota; Sections 6758–6759, Compiled Laws, 1929, South Dakota.

18. Section 6761, Compiled Laws, 1929, South Dakota. Chapter 254, Session Laws, 1931, Amendment, reduced the delinquent interest rate from 12 to 10 per cent. Chapter 197, Session Laws, 1933, Amendment, increased delinquent interest rate from 10 per cent a year to 1 per cent a month.

19. Section 6761, Compiled Laws, 1929, South Dakota; Chapter 254, Session Laws, 1931, South Dakota; Chapter 197, Session Laws, 1933, South Dakota.

20. Chapter 195, Session Laws, 1933, South Dakota, Amendment, reduced necessity of notification from three to two weeks.

21. Sections 6786 and 6795–6796, Compiled Laws, 1929, South Dakota; Chapter 197, Session Laws, 1933, South Dakota.

22. Sections 6803–6806, Compiled Laws, 1929, South Dakota; Chapter 198, Session Laws, 1933, South Dakota.

23. Chapter 248, Session Laws, 1937, South Dakota.

of the sale must be made in each official newspaper of the county for three successive weeks. Sales are made at the front door of the courthouse. The county commissioners have the right to disapprove the price offered for the land.

The Assessment of Real Property in South Dakota.—Assessment of real estate begins in May and is continued throughout May and June until completed. All assessments of farm real estate, according to the law, are to be given their actual sales value;[24] the assessment statute does not use the exact term "actual sales value," but no other interpretation can be made.

A valuation is placed first upon the land and then upon the improvements, exclusive of growing crops. Although the statute expressly forbids the use of forced sales, auction sales, or aggregate valuations as a criterion or basis for the assessment, aggregate valuation is, unfortunately, used frequently, and all the land in a given township for a given year may be valued exactly like the quarter section taken as a sample physical unit.

For example, the new assessor finds from his predecessor's assessment book that the year before most 160-acre tracts in the township were given an assessment value of say $900. Using this $900 as a base, all the eighties were therefore valued at $450; the forties at $225; the half sections at $1,800; the sections at $3,600, etc. The new assessor proceeds to do likewise. If times are hard, the base is likely to be lowered; prosperity tends to bring a higher base; but the same uniform aggregate valuations tend to be carried on year after year. If a given quarter section is worth more than the base valuation figure, the resulting tax will be too low, affording something of a bounty to the owner. On the other hand, if the base valuation is too high, the burden may become too heavy and the owner may "let it go for taxes."

From even this brief treatment it will be seen that the gross inequalities brought about through poor administration of the property tax law create a serious problem, increasing delinquency and public ownership of land. It is evident that the law is equitable enough, but its just administration in a political system is almost impossible. (For recommendations relative to assessment reforms see South Dakota Agricultural Experiment Station Bulletin 300.[25])

The Local Review Board.—After the work of assessment is completed by the local assessor the books are turned over to the local review board. In all organized townships and incorporated cities and towns, the local review board meets and may sit in session six days.[26] The board, as its name implies, reviews the work of the assessor to see if any property has been omitted from the assessment rolls. If the board discovers any omissions, the property receives a valuation and is replaced upon the rolls. By serving personal notice upon a property owner, the review board can change an assessment in either direction. It also hears individual complaints of errors made in the listing or valuation of property, the board having power to make adjustments in connection with all complaints of individuals in its district in reference to their property.

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24. Sections 6671–6723–D, Compiled Laws, 1929, South Dakota.

25. R. B. Westbrook and N. V. Strand, "Inequalities Arising from the Assessment of Farm Real Estate in South Dakota," Bulletin 300, South Dakota Agricultural Experiment Station, March, 1936.

26. Sections 6724–6727, Revised Code, 1919, South Dakota.

All of this seems a justifiable and even a necessary part of our government machinery, but as a matter of fact, the local boards often do very little, and can do little or nothing, to correct a bad initial assessment. The records indicate that the local board makes but few changes in individual assessments, and usually accepts a township assessment which valuates all property on the same base.

South Dakota has three review boards (local, county, and state), legalized upon the assumption that the initial assessment may be faulty. At least the local board was developed to iron out errors and inequalities. If it could really do this, its existence would be justified. There is little, however, to indicate that it accomplishes the purpose for which it was established.

The County Review Board.—On the first Tuesday of July the county board of equalization, composed of the county commissioners and the county auditor, meets and may sit in session up to 15 days. The board equalizes assessments among townships, cities, and towns, and between individuals in the unorganized townships. It also has the authority to act as a local review board and raise or lower assessments among the different classes of property.[27] It hears complaints from individuals regarding the listing and valuation of property, though such complaints must have been brought to the attention of the local review board before the county board can take action.

The law makes no provision which would permit the auditor and the commissioners to correct an original faulty assessment. The revaluation of a given class of property by the county boards is a common occurrence, but when the land in a given township has been assessed on an aggregate basis, every acre given a valuation of say $5, good land and poor land alike, there is nothing the county boards can do to correct the situation. They may raise the valuation of every acre to $6 or reduce it to $4, but the inequalities between individual tracts remain. Obviously, the result is to push poor lands toward public ownership.

The State Board of Equalization.—On the first Monday of August of each year, the State Board of Equalization, composed of the Director of Taxation, the Assistant Director of Taxation, and the State Auditor, meets; it may sit in session as long as 21 days. The board equalizes between the counties, and may, on a percentage basis, raise or lower assessments among the different classes of land. Moreover, it may review appeal cases brought by any person dissatisfied with the action of the county board on the assessment of his property.[28]

The state board has relatively little chance to improve a local assessment, and it does not have sufficient data to check even gross inequalities. The placing of a law upon the statute books requiring that the sales price be specified in the deed would provide data of material assistance and offer at least one method of checking property taxes. If a bona fide sales price were incorporated on every deed, it would be possible to compile these figures and check them against assessed values for the year in which the sale was made. Only a few deeds carry these actual considerations, scarcely more than one in twenty. These few samples are insufficient to admit of a thorough check on the property tax assessment. One

27. Sections 6728–6734, Revised Code, 1919, South Dakota.
28. Section 6590, Revised Code, 1919, South Dakota.

of the tax commissioners of Minnesota has collected data of this character over a period of years and his compilation is probably one of the most valuable records in the state. Also, several other states already require the placing of sales prices on deeds in place of the usual nominal considerations, a practice to which there appears to be no serious objection.

Statutory and Administrative Procedures in Tax Delinquency

Initial Tax Delinquency.—The 1936 taxes become due and payable January 1, 1937, but there is no delinquency until May 1, 1937, when one half the taxes become delinquent and subject to penalty and interest. The interest rate of 1 per cent a month proceeds to run against half of the delinquent tax; the remaining half is subject to this same interest rate on November 1, 1937.[29]

It is quite easy to allow property to become delinquent. Delinquency may be thought of as a means of obtaining a loan from the state, but the borrower does not always realize how rapidly penalty and interest accumulate—slowly at first, and then with alarming rapidity, until the debt is almost insurmountable. The prevailing interest rate is much more than most farms should carry even during prosperity; and when net income is insufficient to carry taxes, it is not long before the land must be taken from the owner to become a part of the county's "public domain."

Some inducement to pay before the delinquency date is desirable and some sort of inducement later is equally desirable, but there is some question as to the effectiveness of high interest rates and penalties levied on delinquent taxes. South Dakota does not exact a penalty, but its interest rate is high. In so far as tax delinquency is voluntary and a problem for the tax collector, such penalties may serve as a preventive measure, although even here they are of doubtful value. But where, as in most of South Dakota, tax delinquency is the result of deep-seated social, economic, and physical causes, these penalties are worse than useless. Michigan seems to have worked out a desirable system, which exacts a moderate penalty and a moderate rate of interest. The penalty is applicable on January 10, plus ¾ of 1 per cent interest per month from March 1.

One of the greatest difficulties with the legal and administrative machinery of the property tax is that it permits too great a lapse of time from the day the assessor visits the property until the second installment is due. The law allows one year before the first half of this assessment becomes delinquent, 18 months before the whole sum is declared delinquent, and several weeks longer before a tax certificate is sold against the property. The effect of this lapse of time on the revenues to be derived from personal property is marked. It is, however, not so clear in the case of real property. It will be realized that timber and minerals, of course, can be moved quickly, but an even greater problem is that the value of land and buildings may alter considerably within 18 months.

29. "On the first day of May of the year after which taxes shall have been assessed, one-half of all unpaid taxes shall become delinquent and on that day and on the first day of each and every month thereafter there shall be added as interest and penalty on said delinquent tax, one per cent. If the other half is not paid the first day of November of the same year, that also becomes delinquent, and the same penalty and interest shall attach in the same manner." Session Laws of South Dakota, 1933, Chapter 197, Section 6761, page 232, Amendment Relating to Delinquency of Taxes and Collection Thereof.

The claim may be made that this lapse of time cannot be prevented, but without going into the "how" of shortening the period under discussion, it may be remarked that Wisconsin has cut it to nine months and several states do the job in less than nine months.[30] If the whole procedure could be accomplished with more dispatch, it would lessen the total amount of tax delinquent land and decrease ultimate public ownership.

Tax Certificate Stage.—The machinery of tax sale can be divided roughly into four parts:

1. The sale of tax certificates to private individuals.
2. Forfeiture to the county in the absence of private bidders.
3. Right of redemption for four years after date of sale.
4. Issuance of tax deed at expiration of redemption period.

Issuance of Tax Certificate to Individual Purchaser.—In a previous section it was noted that the total taxes become delinquent on November 1, at which date penalty and interest attach to the whole sum. Once a week for two weeks prior to the second Monday of December, a list of the delinquent taxes is published in official county newspapers.[31]

This legal notification must be precise in every detail and contain all necessary information relative to the delinquent land. The exact amount of the taxes remaining unpaid for the preceding year or years must be stated, also the time and place of the sale; and the notice must contain a complete list of the lands to be sold and the names of the parties to whom they are assessed. The cost of publication is paid ultimately by the tax title purchaser.

In pre-depression days the sale of land by the county treasurer carried with it something akin to social stigma. Then the property owner looked on the sale with a feeling of shame, but now the sale of property for taxes has become so common as to merit little attention. In some sections of the state, land has become so nearly worthless that it is simply good business judgment to allow taxes and interest to run against the land and to redeem it later if economic conditions warrant. In many cases redemption, repurchase, or rental from the county has proved a great saving to the original holder and to the subsequent equity holder as well.

Not until the third Monday in December is the actual tax sale held by the county treasurer at the "door of the courthouse." This phrase has been interpreted legally to mean a variety of places in the neighborhood of the courthouse.[32] It is the treasurer's legal duty to sell all delinquent property of any description upon which there is an unpaid tax balance. "He may adjourn his sale from day to day until all land, lots or other real property has been offered." No taxable property is exempt from levy and sale.

Each separate tract is offered for sale in the order in which it appears on the tax list. The bid requiring the lowest rate of return is accepted,

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30. See Jens P. Jensen, "The Tax Calendar and the Use of Installment Payments, Penalties and Discounts," **Law and Contemporary Problems,** School of Law, Duke University, June, 1936.

31. Section 6785, Revised Code, 1919, South Dakota, required publication for three successive weeks. Chapter 195, Session Laws, 1933, amended this period to two weeks.

32. Sections 6785–6802, Revised Code, 1919, South Dakota. Court decisions pertaining to tax sale: (1) Tax sale "at the door of the courthouse" is a sale "at the courthouse." Hobart vs. Scott, 25 South Dakota 20, 125 N.W. 124. (2) Sale at the county treasurer's office in the courthouse is valid. Lauderdale vs. Pierce, 27 South Dakota 460, 131 N.W. 514. (3) Tax sale purchaser bound by rule of **caveat emptor.** Budge vs. Grand Forks, 1 North Dakota 309, 47 N.W. 390.

a maximum limit being fixed by law. The bidder offers, for example, to pay the taxes and interest due provided he shall receive 6 per cent interest on this sum, plus any and all costs. If nobody at the sale appears willing to do this for 5 per cent, then his bid is the best bid on that particular piece of property. The law of South Dakota seeks to protect the property owner as much as possible by providing that no private bid can be over 8 per cent.[33] The law further provides that if the bidder does not pay the full sum due the property shall be resold.

A full record of the sale is filed in both the treasurer's and auditor's office. Every detail must reflect the regularity of the proceedings because in case of later litigation the parties involved seek to prove the proceedings correct or incorrect, according to their case. Any irregularity, even a minor non-conformity to the usual procedure in selling the land, is often interpreted in favor of the original holder.

The purchaser of property sold for taxes receives a tax certificate which describes the land purchased, the amount of the payment, and the time when the purchaser will be entitled to a deed. The certificate is assignable and the assignee acquires the lien of the taxes on the property. The record of such assignment must appear on the county treasurer's books. A purchaser or an assignee must pay any taxes that are still unpaid and have been levied against the property for the year or years preceding this purchase or for any year or years subsequent to such sale. A record of this amount must also appear on the county treasurer's books. Fees for certificates and deeds are charged by the treasurer. Also, the statutes provide against erroneous sales of property, which is an all-wise provision in view of the fact that the tenure of county officials is of very short duration.

Under ordinary conditions, the tax certificate purchasers pay the county treasurer, and the county is compensated for the delay by receiving interest on the amount due. But with the tightening down of the depression, the lack of rain and crops, and the disappearance of income no private bidders appeared. The tax certificate ceased to be an attractive place to put funds, since it amounted to a purchase of land which was not wanted.

The tax sale machinery is now wholly ineffective so far as the private investor is concerned in certain parts of South Dakota. Likewise, 16 other state tax administrations have reported it entirely unsatisfactory in the last few years. The tax certificate machinery breaks down at a time when it is most needed.[34]

Issue of Tax Certificates to the County.—The law makes provision for county action when private capital refuses to buy tax certificates. The procedure is the same as if sale had been made to an individual. A certificate of purchase is made out in the same manner as to an individual purchaser.[35] Although the certificate is retained by the treasurer and no tax receipt is issued and no amount paid to any tax-levying jurisdiction, the interest and penalty proceed to run in favor of the county. If later on any citizen desires to purchase this certificate, he may do so for cash,

33. Section 6786, Revised Code, 1919, South Dakota, amended by Chapter 197, Session Laws, 1933.

34. Cf. Wade S. Smith, "Recent Legislative Indulgences to Delinquent Taxpayers," **Law and Contemporary Problems**, School of Law, Duke University, June, 1936.

35. Amended by Chapter 65, Session Laws, 1933, South Dakota.

and a tax receipt and duplicate for such taxes, penalty, interest, and costs will be made out. The amount paid will be entered on the treasurer's cash book, and the certificate assigned and delivered. The purchaser will receive all rights, legal and equitable, that the county had in the real property. Note that again the object is to keep the land from progressing toward a more absolute degree of public ownership, to bring it back into individual hands, and replace it upon the tax rolls.

Right of Redemption.—The law seems never to forget the owner of property and makes special provision for redemption by the owner from the county and from the individual purchaser of the tax certificate. Redemption is also possible by a part owner. The owner or any person having an equitable interest in property has the opportunity to redeem it from a sale any time before the issue of a tax deed, which is four years later. The full sum stated in the certificate together with interest must be paid the certificate holder; and all taxes incurred subsequent to the sale must also be paid.[36] The treasurer will turn the funds over to the certificate holder, at the same time making all necessary entries on his own books. In the case of redemption by part owner and also of partial redemption, the statutory proceedings are similar to those discussed above.[37]

The courts have interpreted the right of redemption in favor of the redemptioner as liberally as possible. A notice of expiration of redemption from a tax sale that omits a part of the description of the land has been held to be insufficient.[38] Not only does the owner have the right of redemption, but complete legal notification must be given him of the expiration of this right. The sale is subject to redemption until statutory notification is given of the expiration of the redemption right.

An even further inducement is held out to the private owner in the law of 1919, which reads:

"That all taxes subsequently accruing against such real property or that were unpaid at the time of such sale and a lien thereon but not included in such bid, shall be considered as "subsequent tax," and before the county can make an assignment of such interest in and rights to such real property, or before the assignment of the certificate of such sale is made, all such taxes must be paid in full, including the amount for which such real property was so bid off. Unless a compromise thereof is made as permitted by law, in which case the amount at which such compromise is made must be paid."[39]

The inducement held out to the private owner in the last sentence is immediately clear. There is little doubt as to the good intention of the law, which is to facilitate the return of land to private ownership. But what will the effect be upon the taxpayer who has paid his taxes? It certainly is advantageous for an owner, the possessor of an equitable interest, or any purchaser finally to gain possession of the land by paying three-fourths or one-half the delinquent taxes, but whether or not

36. Chapter 65, Session Laws, 1933, South Dakota.

37. Chapter 198, Session Laws, 1933, South Dakota.

38. Section 6799, Revised Code, 1919, South Dakota.

39. Sections 6794–6795, Revised Code, 1919, South Dakota.

the property tax will continue to survive under such treatment is highly problematical.

Issuance of Tax Deed.—If the tax delinquent land is not redeemed, the next step is the taking of tax deed, which will be discussed in the following section.

County Tax Deed Stage

Process of Acquiring the Land.—Four years from the date of tax sale, proceedings may be commenced to take deed. This must be done not earlier than four years and not later than six years from the date of tax sale. A notice of intention to take tax deed must be filed with:

1. The record owner of the real estate.
2. The person in possession of the real estate.
3. The owner of any unsatisfied mortgage.
4. The holder of a special assessment certificate at a tax sale.
5. The person to whom the property is taxed.

The service of notice is complete when an affidavit of the service of such notice, duly signed and verified by the person or officer making the service, shall have been filed by the treasurer authorized to execute the tax deed; but right of redemption does not expire until sixty days after such notice is served. The notice must be signed by the holder of the tax sale certificate, must state the date of sale, and include the description of the property sold, the names of the purchaser and of the assignee, if any, and a notice that the right of redemption will expire and that a deed for such real property will be made upon the expiration of 60 days from the completed service. The service of a personal notice is sufficient in cases of all residents within the state.[40] Non-residents may be served by publication of the notice once a week for three successive weeks in some newspaper printed in the county in which the real estate is located. Notice must also be sent by registered mail to the last know address of parties interested in the proceedings. All costs of service and publication are paid by the holder of the tax certificate.

Though the procedure described above is for individual action, the county procedure is so similar that it need not also be described.[41] However, there is one fundamental difference. The individual must take legal action not earlier than four and not later than six years after the tax certificate is issued; county officials, however, may sell the land year after year for taxes without taking deed to the property. Ordinarily, it is only as a last resort that officials will take deed in lieu of taxes.

The tax deed issued at the end of the period of redemption is a defective instrument in the eyes of land title examiners and in the eyes of the court. To mature this deed without "quieting title" requires a considerable lapse of time and considerable expense. Certainly it would simplify matters if the tax deed procedure were abolished. The final enforcement of the tax lien should be by foreclosure in the same general manner as the methods used in foreclosing mortgages.[42]

Leasing.—Once the county has acquired ownership through tax deed, the land passes to the direct control of the county commissioners, who

40. Sections 6803–6806, Revised Code, 1919, South Dakota.

41. Sections 6795–6796, Compiled Laws, 1929, as amended by Chapter 197, Session Laws, 1933, South Dakota.

42. A. U. Rodney, "The Tax Lien Investor's Relation to the Collection of Delinquent Taxes," **Law and Contemporary Problems,** School of Law, Duke University, June, 1936.

in turn attempt to lease it for a term of years. Below is a typical list of instructions for leasing county lands acquired by tax deed. Special aspects of this particular list may be noted: the terms are stated in a most definite manner; the county has been receiving income due to the demand for payment in advance; and improvements made by the renter and those made or acquired by the county are given due consideration.

Instructions for Leasing County Lands Acquired by Tax Deed

The minimum leasing rates are 2½ cents per acre for grazing land and pasture land and 12½ cents for agricultural land.

Lands will be offered for lease to the highest bidder in tracts to conform to the deed. No tract will be split, any division of a tract must be arranged between bidders interested.

Leases will be made to run for a period of five years, from March first to March first.

Whenever the highest offer for any tract of land is satisfactory and the tract is reserved for the bidder, such bidder must at once deposit with the county treasurer the amount specified as the annual rental for the tract, and on or before the first day of February thereafter for the term of the lease the annual rental must be paid to the county treasurer. In case the rental is not paid on or before the first day of February each year, the lease will be terminated and the tract offered for re-lease on the next designated date immediately following such delinquency.

Improvements.—Any improvements that may be erected by a renter on county lands will remain his property and the county will assume no responsibility or liability or interest in said improvements; any such improvements, however, must be removed within a reasonable length of time after the termination of the lease, and must not in any way hinder the re-lease of the tract to another bidder if he be the highest bidder for said tract.

Any improvements that may be on the tract of land acquired by the county or in which the county may have a vested right will be protected to the full extent of the law, and the renter will be held responsible for any damage done thereto, natural wear and tear or damage by the elements excepted.

Once the county acquires the land, its troubles have frequently just begun. Indeed, the renting of land at from 5 to 6 cents per acre per annum, rarely over 10 cents, has proved remarkably stimulating to the increase of tax delinquency. It has been much cheaper to rent than to own, with rental in many areas about half what taxes had previously been on the same unit.

Sale by Means of a Contract for a Deed.—The final legal stage is the passage of the land from public to private ownership. The recent (1937) statutes have considerably modified the procedure formerly followed. Such property may be offered for sale when county commissioners deem it advisable and must be offered for sale when a written petition is presented by any municipal corporation, school board, board of education, or township board, in case such board is vested with taxing power in respect to such property.[43] Before any real property is offered for sale, it must be finally appraised by a board of appraisers, consisting of the superintendent of schools, the county treasurer, and the county auditor, such appraisal to determine the sale price.

43. Chapter 83, Session Laws, 1937, South Dakota. Chapter 77, Session Laws, 1935, and all other acts and parts of acts in conflict are hereby expressly repealed. Approved March 5, 1937.

Sales are made at the "front door of the court house" by the county auditor. If the appraisal is $250 or less, a purchaser must pay cash, if it is more than $250, one-fifth is to be paid in cash, and the remainder in not more than 20 annual installments, with interest not exceeding 5 per cent.

The county board of commissioners may disapprove an offer for land if in their judgment it is less than the true and full value of the property,[44] which, of course, means that they are not supposed to give land away even though they do own some 200,000 acres. The county can give only such rights as it has in property; this it does through the medium of a quit claim deed when cash is involved. The land sold under contract for a deed requires a written agreement between the county and the purchaser, stating the terms of the sale, the amount of cash paid at the sale, the amount of the annual installments, date of installment payments, and rate of interest. Taxes on land covered by a contract for deed must be paid in full each year; in case of default in the payment of an installment or interest or taxes, the board of county commissioners, at its option may declare the contract at an end and proceed to foreclose in the manner required by law for the strict foreclosure of executory contracts. All payments made are retained by the county as liquidated damages.

In many places in the state the purchaser is given a contract for a deed which involves payment over a period of years at a stated rate of interest. Principal and interest are paid in annual or semi-annual installments, with an interest rate of 4 to 5 per cent. At the expiration of the stipulated time a deed is issued to the purchaser. Though this procedure seems to be something of a solution to the county officials' problem of getting the land back on the tax list books, as a matter of fact it frequently results in additional complications for all concerned. Land that has been unable to carry its taxes and that has not been redeemed by an original holder or equity holder is now called upon to carry not only taxes but also interest (though at a relatively low rate). Much of it therefore returns to county ownership.

For example, let us suppose that W. A. Skeel in Harding county decides to bid $430 for 300 acres of land and that he makes a down payment of $86, the balance to be paid the county in 15 annual installments with interest at 4 per cent, which is quite a moderate rate for Harding county. The contract calls for installment payments, interest, and the payment of taxes over a term of years. Mr. Skeel proceeds to raise cattle or to farm, as the case may be, but at the due date of the first installment he defaults, and also fails to pay his taxes. The county officials make no move and the delinquency is allowed to run. At the end of the first year considerable encumbrance has piled up; at the end of a second year the down payment scarcely covers the encumbrances; and if more time lapses without action, the county suffers, and is ultimately forced to take back the land.

Obviously this passage of land from public to private ownership and back again is going on continuously. The present (1937) statutes seek to remedy the difficulty by requiring a larger down payment; but they permit the county commissioners to act at their leisure in re-acquiring the land after default.

44. Chapter 83, Session Laws, 1937, South Dakota, calls for appraisal by a special board when deemed advisable or upon presentation of a written petition.

Once the terms of the contract for a deed are carried out, the deed is issued. It might be supposed that the land would repose quietly in the possession of the one who received the deed from the county. But to be really secure in possession, the individual and his attorney must go through the complex legal process known as "quieting title." Because the deed issued to the new holder of property is a quit claim deed, not a warranty deed, the county transfers only the right, title, and interest which it has in the property, which may or may not prove to be security in case of court action. If absolute security it desired, all claims can be allayed only by "quieting title" to the land.

The Tax Delinquent Contract.—In 1933, in 1935, and more recently in 1937, the South Dakota state legislature became alarmed over the increase in tax delinquency and in 1937 passed an act entitled "The Adjustment and Payment of Delinquent Taxes and Declaring an Emergency." This act represents a large-scale compromise between the state and individuals failing to meet their property taxes. The law states that any person having delinquent property taxes can make an application to the county commissioners to adjust this delinquency; the county commissioners may either accept or deny such application, as they see fit.

The procedure for the property owner is quite formal. A triplicate form must be made out containing full name and address, the legal description of the property so encumbered, and a statement of the amount owed. If a tax sale certificate is standing against the property, it must be in the name of the county and not in that of an individual purchaser. Moreover, the property owner must pay his first installment of taxes by May 1; if this has not been done, the full year's taxes must be paid on acceptance of the application for adjustment by the commissioners.

Provision 6 of the statutes states the nature of the contract as follows:

"That the applicant contracts and agrees to pay all prior and delinquent taxes in ten (10) equal annual designated payments beginning one year after the acceptance of the application and agrees that the lien of such taxes and the obligation of applicant to pay same shall not cease or terminate unless or until applicant shall make each and all of such ten (10) annual payments as contracted."[45]

Under this law the interest rate that otherwise would continue to operate against the property is allowed to lapse. It therefore grants a special privilege to property owners, and no test has as yet been made of its constitutionality in South Dakota.

Provision 7 of the act specifically denies that the owner is to receive notice in case of non-payment of an installment due. In case of default on an installment the county treasurer, without notice of any kind, can proceed to collect all of such unpaid delinquent taxes as though no contract had been signed. Unfortunately, in a great many of these contracts, the installments have been met for a time, and then have stopped.

The Attorney General's letter to the Director of Taxation, which follows, answers many of the fundamental questions on the tax contract law.

45. Chapter 194, pages 310–311, Session Laws, 1935, South Dakota.

April 7, 1933

Mr. L. E. Corey,
Director of Taxation,
Pierre, South Dakota.

We have had a number of requests for our opinion on various phases of Senate Bill Number 91. We have given our opinion on these questions. Each day we receive requests for copies of these opinions. In order that all county officials having anything to do with the collection of taxes may know what our ruling has been on these questions, we are submitting to you this opinion which is a consolidation of many others. We are sending a copy of this opinion to each State's Attorney in the State and we would suggest that you send a copy to each County Auditor and Treasurer in the State.

The questions that have been submitted to us and our answers to them are as follows:

1. Do the ten annual installments provided for in this law bear interest?

They do not. [Author's note: They do not bear interest, but they do include back interest.] The tax, interest and penalty shall be computed on the date the agreement between the commissioners and the taxpayer is made and the figure thus computed shall be divided into ten annual installments, the first installment to be paid one year from the date of the agreement and the succeeding annual installments shall be paid on or before the same date each succeeding year.

2. What will the status of the tax be if default occurs in the payment of any annual installment?

The tax, upon default in the payment of any annual installment, will return to its former status of being a delinquent tax with interest and penalty attached for the full time, minus however the amount of any annual installment theretofore paid.

3. Where proceedings have been instituted for tax deed, would the filing of an application, and acceptance of contract for payment of tax in installments enjoin the further proceedings for tax deed by the county?

The acceptance of the contract terminates any proceeding that may be pending for the taking of a tax deed by the county. If the land has been bought in by the county for delinquent taxes and the county has transferred its certificate to a private individual or if the land has been sold for delinquent taxes to a private individual, in my opinion the contract contemplated by Senate Bill Number 91 for payment in ten equal annual installments would not apply.

4. Does this law apply to both real estate and personal property taxes?

This law applies to either real or personal property taxes.

5. Is it necessary when a party wishes to pay some real estate tax in such a manner (on the installment basis) that his delinquent personal taxes also be included in the contract?

It is our opinion that delinquent personal taxes must be included in any contract made under the provision of this law.

6. In paying the 1932 taxes must the personal property tax be paid up also before the party is eligible to enter into this contract?

It is our opinion that the personal property taxes for 1932 must be paid as well as real property taxes in order to entitle the applicant to a contract for the payment of his delinquent taxes in ten annual installments.

7. Would delinquent special assessments be included under the authority of this law?

No. Since the holders of special assessment certificates must look to the fund for payment, the law relating to the collection is a part of the contract which may not be impaired by application of the terms of Senate Bill Number 91 thereto. I therefore conclude that the word "taxes" was used in the act in its more restricted meaning of general property taxes and does not include special assessments.

8. Would the deposit of the first half of the 1932 taxes prior to May 1st be in compliance with the requirement for deposits of sufficient money to pay all taxes assessed against applicant for the property in the year of 1932 and due and payable in 1933, but not yet delinquent?

Yes. Paragraph 3 of section 1 of the act requires the deposit of sufficient money to pay all of 1932 taxes due and not yet delinquent so that upon the payment of the first half of the taxes due for the year 1933 the contract for the annual installment payment of the delinquent tax may be made.

9. Would one who has delinquent personal property taxes and also delinquent real property taxes be entitled to an adjustment of personal property taxes in the event no adjustment was made as to real property taxes because of a tax sale certificate being held other than by the county or for any other reason?

Yes, where one owes both real estate and personal property taxes and the real estate certificate is held by some one other than the county the delinquent personal property tax may be adjusted with the county on the installment basis.

10. Where a taxpayer's certificate is held other than by the county but subsequent taxes are delinquent, would the taxpayer be entitled to adjustment as to the delinquent subsequent taxes upon payment of the amount of the tax certificate outstanding?

Yes, the taxpayer might deposit enough to redeem from the taxpayer's certificate outstanding and secure a contract for the payment of the taxes remaining under the provision of the act.

11. Is it mandatory for the county commissioner to enter into the adjustment agreement if the taxpayer does all that is required by the law?

Yes. The county commission has no discretionary power and when the taxpayer has filled out the statement as provided in the law and the commission has found that the statement is in all respects true, they have no alternative other than to proceed with the contract of adjustment. They have no right to demand security for the payment of personal property taxes. They have no right to demand that the taxpayer give a chattel mortgage.

12. When the law says the taxpayer must pay all his 1932 taxes, that is, all of the taxes payable in 1933, does that mean that the taxpayer must pay all the taxes that he owes on all the land or all of the personal property he owns in the state of South Dakota?

It does not. The taxpayer can make adjustment on any given piece of land. If the taxpayer owned two farms in one county, he could adjust as to one and let the other go to tax deed without paying the tax on it. If, however, he owned two pieces of land in one county and owed personal property tax in the same county, the personal property must be included in the agreement with the real property tax on the real property tax settlement. If the taxpayer owed real estate tax in one county and real estate in another, he could of course settle as to one piece of property and not as to the other, and if a person owed real estate tax and personal property tax in one county and owed just real estate tax in another county, he could settle the real estate tax in the second county without adjusting either the personal property or the real estate tax in the other county.

We believe that these questions and answers sum up most of the inquiries that have been made on this law to date and we believe too that if tax collecting officials will go over these questions and get the ruling of this department well in mind they will be properly able to advise people having questions on this provision.[46]

The following excerpt, written in answer to an inquiry from a treasurer of a west river county, was sent to all county officials from the Attorney General's office. It seems to indicate rather definitely that where the 1933 and subsequent contracts are in default, taxes included therein should be included in the 1937 contracts. The Attorney General's opinion indicates the nature of the problems arising out of this type of tax contract legislation.

"It is my opinion that in cases where prior contracts under the old statutes have become delinquent by failure to pay an installment or installments within the time provided for therein that it will be proper to make an entirely new contract covering all back taxes including those included under previous ten year contracts in which defaults have been made. In case of contracts which are still in force, the taxes covered by those contracts should not be included in the contracts provided for under Senate Bill No. 1, above mentioned, because the taxes included therein are not delinquent as provided for in Section one of Senate Bill No. 1."

During the depression some form of compromise and concession concerning the payment of property taxes was enacted into law in almost every state in the union.[47] The South Dakota legislature recognized that arrears simply would not be paid, and that compromise legislation was a method of salvaging what little could be collected. Economic and physical causes in South Dakota made this imperative because the financial storm combined with crop losses simply broke down the property tax system.

However, the bad effects of this compromise upon the taxpaying public are so disastrous as to make it unacceptable except under conditions of great emergency. Even then its advisability is questionable. Laws of this character have gone a long way toward destroying taxpayers' morale. It is evident that any act which subsidizes property ownership on the basis of tax delinquency is filled with dangers to normal tax collection. Indeed, it will take many long years to re-establish healthy taxpaying habits on the part of the citizenry.

Conclusion.—In summary it may be said that the law favors private property and individual ownership as against public ownership and oper-

46. Based on the report of the Attorney General, South Dakota, 1932–1934, pages 672–674.

47. "Twenty-five states authorized installment payment of back taxes under amortization plans spreading payments over from one to ten years. Specific provision was usually made that default in any payment restored the lien to its former status, and interest and penalty concessions were made in most instances. Many of the laws set forth payment conditions in detail, but a few merely conferred authority upon local units to accept installment payments.

"New Jersey permitted taxes and assessments, plus penalty and interest charges, to be spread over five years in monthly or quarterly installments bearing 7 per cent interest provided 1935 taxes were paid when due. Indiana permitted payment of delinquent taxes in sixteen equal semi-annual installments bearing 4 per cent interest, the first installment due May, 1936, and current taxes to be paid at the same time. Michigan permitted 1931 taxes to be paid in ten equal annual installments, the 1935 legislature extending the period to include 1932 taxes. Maryland authorized local units to accept installment payment of arrears over a five-year period, and by resolution abate penalties and interest accruing during the period." Wade S. Smith, "Recent Legislative Indulgences to Delinquent Taxpayers," **Law and Contemporary Problems,** School of Law, Duke University, June, 1936.

ation of the land. Many obstacles are thrown in the path of property to prevent its traveling toward public ownership; however, the administration of the law and economic events have actually, although unintentionally, conspired to encourage delinquency and public ownership. It is not at all necessary to assume that public ownership is entirely a by-product of a bad property tax system. It is so in part, but the tax laws in South Dakota, inadequate and even defective as they may be, appear to be no better and no worse than those of other states. Even the emergency legislation is not so bad as in some other commonwealths, and the administration of these same laws could hardly be proved inferior in any way to that in neighboring states. The fundamental economic problem of South Dakota lies neither in the tax laws nor in their administration. In spite of any reform of the tax laws the economic difficulties in the area will remain what they have been for years and years unless a better adjustment between economic activities and the natural environment is attained. South Dakota's problem is intimately connected with physical environment, which in turn affects all economic and social institutions based upon it. Part II is an attempt to show, by means of a public finance approach, those relationships between physical and economic environment which interact in such a way as to intensify all economic problems within the area.

Part II

The Vicious Circle

The law doubtless complicates the tax situation, and its administration is even worse. However, the legal situation is only a secondary cause of tax delinquency, not the fundamental one. Part II of this bulletin, by means of charts, tables, graphs, and maps, attempts to indicate the complicated interrelationships between tax delinquency, high per capita expenditures, and public ownership of land, showing that each of these factors is both a cause and an effect and that their interaction increases in intensity as the rainfall averages in the west and north portions of South Dakota recede.

Rainfall Averages.—The underlying cause of the economic difficulties in South Dakota lies in an inadequate adjustment of economic activities to the existing precipitation. To understand the problems of the state one must know at least something of the annual precipitation for the various areas. In the southeast corner of the state, there are approximately seven counties that receive an annual average of more than 25 inches of rainfall. (See Fig. 1.) They are the seven counties wherein farming is a relatively stable business and not a speculative one. There are soil differences within this area, but in general the fertility of South Dakota's soil goes unquestioned. Unfortunately, this southeast region is a relatively small portion of the state. The area immediately to the west on the map (Fig. 1) is much larger and receives, in the main, enough

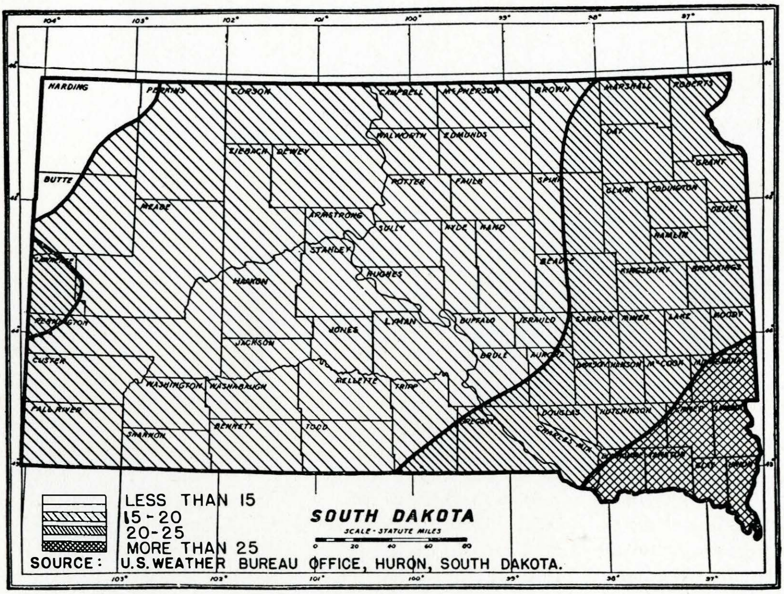

FIG. 1.—NORMAL ANNUAL PRECIPITATION IN SOUTH DAKOTA—Prepared by the South Dakota State Planning Board.

TABLE 1.—Average Per Capita Expenditures for Selected Counties in South Dakota 1919 to 1933*

	General Governmental Expenses	Protection	Highways	Education	Social Welfare	Poor†	Interest and Sinking Fund	Miscellaneous	Totals
Western:									
Bennett	$3.49	$2.26	$6.30	$ .81	$ .44	$ .34	$ .75	$3.14	$17.19
Butte	3.98	2.54	12.52	1.12	2.14	1.71	2.20	4.83	29.33
Custer	3.53	2.49	9.95	.82	1.57	1.00	2.75	6.26	27.37
Dewey	3.59	2.11	8.82	.85	.72	.50	1.52	4.18	21.79
Fall River	4.28	2.69	9.79	.99	1.68	1.08	1.88	2.73	24.04
Haakon	5.17	2.29	14.38	1.14	1.20	.81	.34	4.70	29.22
Harding	6.09	3.00	12.60	.92	1.44	.83	2.41	1.99	28.45
Jackson	7.26	3.07	15.83	1.13	1.38	.96	3.14	2.45	34.26
Jones	4.71	2.60	9.33	1.45	1.39	.85	.22	3.75	23.45
Lyman	4.52	2.06	12.30	.96	1.39	.84	1.19	2.33	24.75
Meade	3.88	2.20	9.54	.74	1.42	1.33	--	1.78	19.56
Mellette	3.38	2.47	7.00	.69	.57	.26	.26	3.44	17.81
Pennington	4.31	2.24	8.87	.51	1.47	.93	1.80	3.50	22.70
Perkins	3.56	2.04	10.16	1.11	1.20	.85	.66	2.04	20.77
Stanley	7.63	5.29	15.08	2.23	2.18	1.20	2.19	4.37	38.97
Tripp	4.34	1.36	7.73	.79	1.11	.75	1.35	1.38	18.06
Ziebach	3.68	2.21	9.38	1.08	.87	.59	2.50	2.83	22.55
			Average for western counties						23.35
Eastern:									
Aurora	$2.28	$1.47	$6.23	$ .63	$1.10	$ .70	--	$1.49	$13.20
Beadle	1.93	1.53	7.40	.50	1.93	1.39	$ .98	2.54	16.81
Brookings	1.70	1.15	5.66	.49	1.34	1.08	.36	.58	11.28
Brown	1.51	1.44	6.42	.43	2.00	1.65	--	1.53	13.33
Clay	1.81	1.21	7.87	.77	1.67	.90	--	2.67	16.00
Davison	1.78	1.51	5.67	.34	1.93	1.57	.01	5.29	16.53
Grant	2.03	1.21	7.73	.71	1.96	1.51	.33	3.68	17.65
Hamlin	2.38	1.29	7.08	.77	1.53	.95	.34	2.63	16.02
Hutchinson	1.63	.89	8.43	.52	.98	.77	.03	1.06	13.54
Lake	1.95	1.13	5.11	.62	1.68	1.07	.35	1.12	11.96
Lincoln	1.55	1.13	9.46	.66	1.54	1.11	--	3.05	17.39
Miner	2.14	1.16	7.34	.80	1.99	.95	.16	1.77	15.36
Minnehaha	1.62	1.43	5.59	.24	2.06	1.55	--	1.23	12.17
Moody	2.32	1.18	7.22	.51	1.27	.93	.40	1.83	14.73
Turner	1.55	1.04	6.37	.46	1.42	1.04	.13	.84	11.81
Union	1.90	1.15	9.43	.62	2.13	1.52	—	.91	16.14
Yankton	2.10	.99	8.74	.46	1.39	.90	--	.72	14.40
			Average for eastern counties						13.80

* From a study of state expenditures based on the reports of the state auditor, and prepared by George Phillips, graduate student at South Dakota State College, with the assistance of the State Planning Board.

† Not a separate class. Social Welfare also includes these figures.

moisture for successful farming. Its average of 20 inches or above certainly does not indicate an arid country, but even here there are sharp differences in precipitation. On the eastern edge of this area, around Brookings, Moody, Lake, McCook, and Hutchinson counties, the average approaches 25 inches, but toward the north and west, the rainfall is more intermittent and crops are more uncertain. Indeed the change is quite noticeable to the traveler who proceeds westward from Minnesota and Iowa, where nature is more bountiful. In the far northwest corner, ranchers definitely predominate; the odds are heavily against the farmer, there being an average of less than 15 inches of rainfall.

The rainfall map unquestionably establishes the fact that the relatively dry year is normal for the largest portion of South Dakota. Anything less than 20 inches makes crop raising something of a speculation. Though farming in the dryer areas is not an impossibility, the rain may not come at the right time. Wealth and income in such an area do not accumulate through the years; the bumper crop of last year may be followed by half a crop or no crop at all; and the population must live

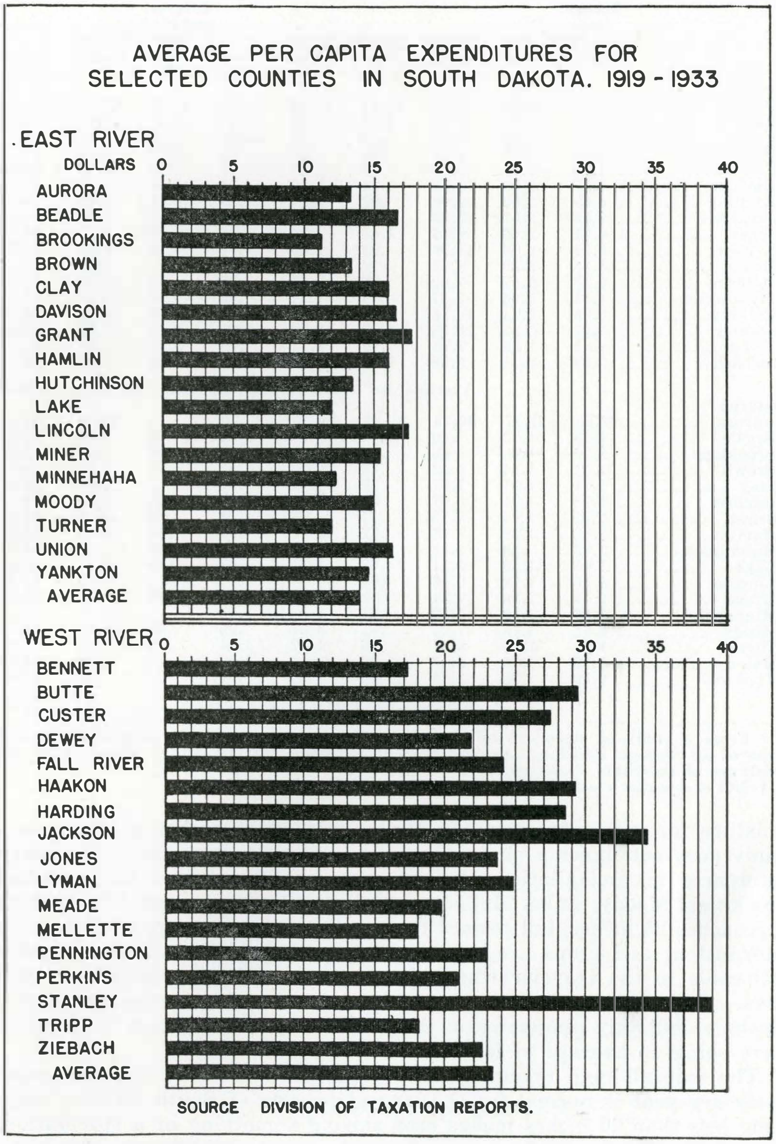
AVERAGE PER CAPITA EXPENDITURES FOR SELECTED COUNTIES IN SOUTH DAKOTA. 1919 - 1933
EAST RIVER
DOLLARS
0
5
10
15
20
25
30
35
40
AURORA
BEADLE
BROOKINGS
BROWN
CLAY
DAVISON
GRANT
HAMLIN
HUTCHINSON
LAKE
LINCOLN
MINER
MINNEHAHA
MOODY
TURNER
UNION
YANKTON
AVERAGE
WEST RIVER
BENNETT
BUTTE
CUSTER
DEWEY
FALL RIVER
HAAKON
HARDING
JACKSON
JONES
LYMAN
MEADE
MELLETTE
PENNINGTON
PERKINS
STANLEY
TRIPP
ZIEBACH
AVERAGE
SOURCE DIVISION OF TAXATION REPORTS.

FIGURE 2.

off its past accumulations (or somebody else's accumulations, since the area is at present heavily subsidized by federal funds).

Distribution of Per Capita Expenditures

The following pages reveal the close relationship between public finance problems of South Dakota that appear so insoluble and the physical factors. In connection with this question Table 1 shows the per capita county expenditures from 1919 to 1933. The highways, of course, represent the largest per capita expenditure, dwarfing the cost of general government, protection, and education. It may be remarked here that county expenditures for education are relatively unimportant, but that per capita school district expenditures tell a very different story.

Comparison Between Eastern and Western Counties.—Fig. 2 presents the data of Table 1 in graphic form. Both Fig. 2 and Table 1 divide the counties considered into two groups: one located east and one west of the Missouri River.[48] As would be expected, the lower per capita expenditures are in the most populous counties in the southeast corner of the state, where the rainfall is sufficient to support and carry a denser agricultural population. The differences between the per capita expenditures of the counties east of the Missouri River involve a number of causes unknown to the author; doubtless the older citizens and the county officials in each county could give definite reasons why their expenditures are higher or lower than those of other nearby counties. Brookings, Lake, Minnehaha, and Turner counties are lowest; Beadle, Davison, Grant and Lincoln are highest. Note again the rainfall map (Fig. 1). It could hardly be a mere coincidence that counties whose per capita expenditures are low lie in the higher average rainfall region, and that those with higher expenditures lie to the west and north.

Consider now the counties on the west side of the Missouri River. The group of western counties in Table 1 is something more than a mere sample, for it includes nearly all counties of the area. Note that with the exception of Bennett county the lowest per capita expenditures of any of these counties are higher than the highest per capita expenditures of the first group. Per capita expenditures of such counties as Butte, Haakon, Jackson, and Stanley are about double those of the high per capita expenditure counties of the east.

Of all counties Stanley has the highest per capita expenditures. The county has suffered some loss of population at times, and doubtless there are other contributing factors, but a per capita expenditure of almost $40 over a 14-year period is dangerously high.

A glance at Fig. 2 reveals that Bennett, Mellette and Tripp counties have low per capita expenditures for their group. Nevertheless, they are probably worse off financially than the others. In other words, there are other variables beside high per capita expenditure operating within these counties.

Fig. 3 presents a comparative picture of county expenditures in two counties: the one (Stanley) a west river county, the other (Union) located close to the Iowa line near Sioux City. (The same analysis is

48. The Missouri River is here selected as a division line merely because it happens to form a convenient boundary. However, anyone familiar with South Dakota knows that the area between the James and Missouri rivers is even more of a problem than much of the land west of the Missouri.

made in tabular form in Tables 15 and 16 of the Appendix.) It is apparent that in Union county a better economic adjustment to the physical and climatic conditions has been made than is true of Stanley county. Union county is among the more prosperous counties benefitted by a consistent average rainfall; Stanley county is one of the poorer counties without benefit of sufficient moisture for field cropping. It is readily understandable why Stanley county owns a considerable portion of itself through

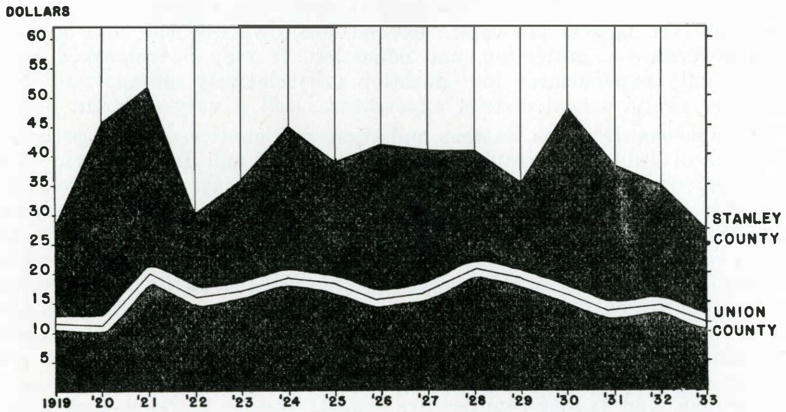

FIG. 3.—PER CAPITA EXPENDITURES IN STANLEY AND UNION COUNTIES, 1919 TO 1933—Prepared by the South Dakota State Planning Board.

the tax deed channel and why Union county has almost no tax deed land. It is true that the two counties represent extremes, but many other pairs of counties would afford comparisons almost as striking as this one.

Per Capita Expenditures in Common School Districts.—Fig. 4 presents a comparison of per capita expenditures for common school districts in the counties east and west of the Missouri River.[49] Most east river counties receive less than $10 per capita in state and federal aid; the majority of those west of the river receive more than this figure. The taxes levied in behalf of school districts tell much the same story; on the east side of the river the per capita taxes for common school district purposes are mainly below $60, and in the west mostly at or above $60. Likewise, the per capita expenditures of the eastern counties are about $60, while those of the western area are in the main above.

Averages, however, do not tell the whole story. The one- and two-pupil schoolhouse is reasonably common in the dry area, hence the per capita expenditure and per capita tax in this area are extreme. Indeed, the little white schoolhouse with its handful of youngsters is a most expensive institution. There seems to be no single solution to the educational problems that arise in a semi-arid, sparsely populated region.

An analysis of per capita expenditures for other periods and other tax-levying jurisdictions would reveal the same basic problems; the school

49. Table 3 gives the same data in tabular form. This table has been incorporated under debt structures rather than here since is contains data on per capita debt as well as on expenditures.

district data merely provide one approach. Although only part of the data have been included in the Appendix, per capita expenditures have been calculated by the author for almost every county in the state. The long period of time covered by these data eliminates or at least greatly minimizes many of the cyclical factors and other variables that operate to increase or decrease expenditures over shorter periods.

STATE AND FEDERAL AID, TAXES AND EXPENDITURES ON A PER CAPITA BASIS FOR COMMON SCHOOL DISTRICTS IN SELECTED COUNTIES OF SOUTH DAKOTA

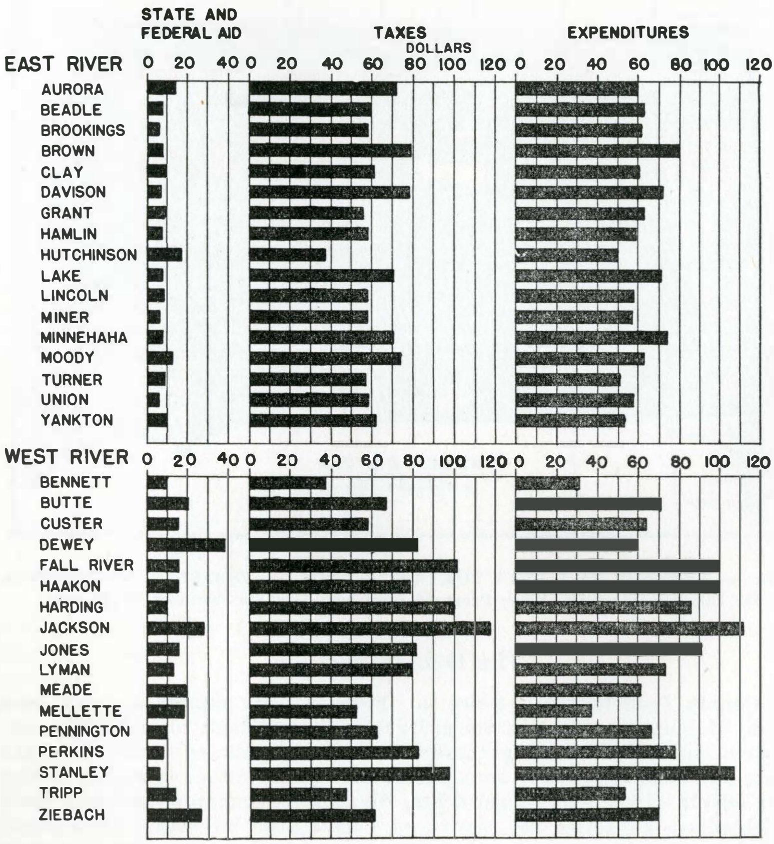

FIGURE 4.

Mill Levies for the Common School Districts.—Fig. 5 shows the average mill levy of the common school districts for all counties in South Dakota. The period considered is only one year, 1934. It will be noted that the same differentiation appears between eastern and western counties as was shown by previous comparisons. In the southeast there are a number of 3-mill levies. Toward the north and west they increase and as the Missouri River is reached, they are more than tripled in some instances. In actual mileage the distance between Clay county and Tripp county is not great, but the difference between 3.80 and 13.91 mills is striking. Although the law sets a maximum on the school district levy of 15 mills, it leaves a loophole for those who have become deeply indebted, for in order to pay interest and maintain sinking funds, a mill levy above 15 is legal.

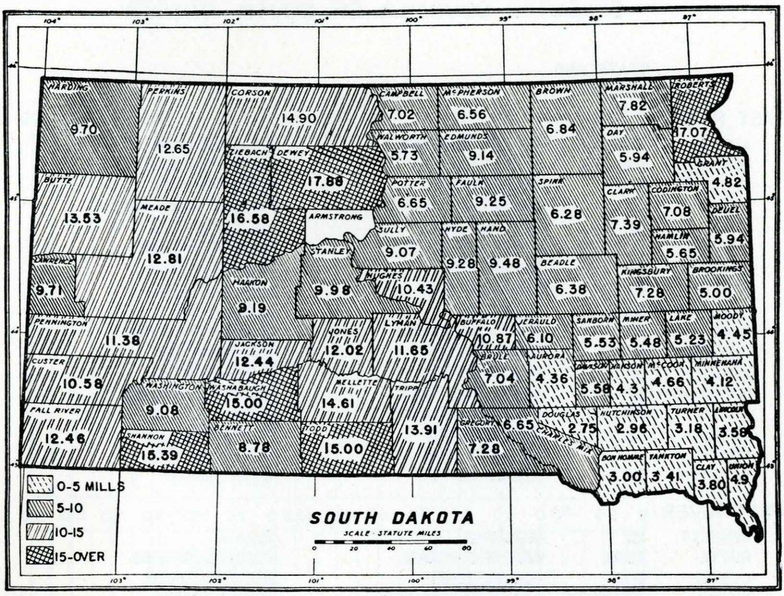

FIG. 5.—AVERAGE MILL LEVY FOR COMMON SCHOOL DISTRICTS IN COUNTIES OF SOUTH DAKOTA, 1934—**Prepared from South Dakota Planning Board Data.**

The Debt Structure

County Indebtedness.—Since no thoroughgoing study has ever been made of debt structures in South Dakota, it is difficult to make any conclusive statements relating thereto. As for the country as a whole, the state and local debts have been slowly increasing rather than decreasing. The effects of the short-term debts, the county warrants, and long-term indebtedness collecting for many years have been intensified by drought and depression. If government credit is to be made sound, and to remain so, it is time to consider the payment of debts.

TABLE 2.—Indebtedness for Various Purposes in Selected Counties of South Dakota, 1933*

County	Net Bonded Indebtedness	Outstanding Warrants and Other Indebtedness	Total Net Indebtedness
Western:			
Bennett	$166,874.44	$17,045.13	$183,919.57
Butte	449,653.11	52,310.00	501,963.11
Custer	37,876.31	9,128.44	47,004.75
Dewey	250,500.00	34,859.00	285,359.00
Fall River	340,655.00	72,079.00	412,734.00
Haakon	72,472.56	21,769.57	94,242.13
Harding	68,530.60	4,010.48	72,541.08
Jackson	185,738.94	--	185,738.94
Jones	--	5,917.03	5,917.03
Lyman	47,364.34	54,858.09	102,222.43
Meade	--	169,088.89	169,088.89
Mellette	--	341,598.48	341,598.48
Pennington	823,000.00	134,161.63	957,161.63
Perkins	568,199.51	137,653.67	705,853.18
Stanley	192,000.00	--	192,000.00
Tripp	229,459.31	--	229,459.31
Ziebach	55,722.92	87,935.92	143,658.84
Eastern:			
Aurora	600.00	510.00	1,110.00
Beadle	93,387.57	20,184.39	113,571.96
Brookings	--	--	--
Brown	--	2,820.79	2,820.79
Clay	--	--	--
Davison	--	--	--
Grant	--	--	--
Hamlin	12,000.00	--	12,000.00
Hutchinson	--	--	--
Lake	--	--	--
Lincoln	--	--	--
Miner	--	--	--
Minnehaha	--	--	--
Moody	--	13,887.38	13,887.38
Turner	--	5,044.57	5,044.57
Union	--	8,901.46	8,901.46
Yankton	--	--	--

* Source: Division of Taxation report.

Indebtedness incurred by all tax-levying jurisdictions throughout the state is given in Table 2 as well as in Table 13 of the Appendix. These tables, which divide the counties into eastern and western groups, indicate the purposes for which counties pile up indebtedness. It is evident that the west river counties are most seriously involved. A thinning tax base makes it most difficult to meet debts, and the hoisting of mill levies on decreasing assessed valuations reacts in turn on the tax base, making it increasingly difficult to meet debt payments. Little need be said about Table 2 except that the heavy debt concentration in the dry area is a symptom of a general maladjustment.

Although it cannot be assumed that population and officials are any more extravagant in South Dakota than elsewhere, it is nevertheless a fact that the existence of a handsome courthouse or a school better equipped than average in this area implies the existence of public debt drawing possibly high rates of interest.

Common School District Indebtedness.—Table 3, which is an analysis of the common school districts' indebtedness on a per capita basis, throws more light on the problem and from a different angle. It will be seen that the per capita debts in terms of warrants and bonds are again generally excessive for the dry area.

It is possible to get a little closer to the problem by inspecting the common school districts within specific counties. Table 4 analyzes Ziebach's troubles. District 1, with a valuation of about $450,000, has $53,000 in debts. The levy has been raised as high as possible to meet it. District 9 with five pupils and a 22-mill levy might, on a $71,000 valuation, find it cheaper to make other arrangements for those five. The same table shows a similar situation in Mellette county. District 11 is one of the worst, with nine pupils, $15,980.19 indebtedness, a 20-mill levy, and a school district valuation of only $62,455.

In general it may be said that school district valuations are almost twice as high in Brookings and Clay counties as they are in Stanley, Perkins, or Mellette. Mill levies are three times as high in the west as in the east, and school district indebtedness seems almost insurmountable. If one assumes that we get about what we pay for, then the west river teacher's salary of $40 a month paid in warrants that may be heavily discounted, can scarcely be expected to attract the best qualified teacher.

Financial Condition of Mellette County.—There is one other possible approach to the problem of public finances—an analysis of the internal financial condition of particular counties. This offers a somewhat different

TABLE 3.—State and Federal Aid, Taxes, Expenditures, and Ratio of Indebtedness to Valuation on a Per Capita Basis for Common School Districts in Selected Counties of South Dakota, 1934*

County	State and Federal Aid		Taxes		Expenditures		Indebtedness Warrants		Indebtedness Bonds		Ratio of Indebtedness to Valuation	
	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Ratio	Rank
Western:												
Bennett	$ 9.58	39	$37.71	64	$31.65	65	$68.94	13	$2.75	59	1.58	13
Butte	20.58	8	67.29	30	70.97	28	73.33	12	4.74	51	1.32	15
Custer	15.08	23	55.82	52	64.41	33	30.24	21	3.11	54	.60	27
Dewey	39.16	2	82.50	11	57.48	49	338.26	1	44.97	10	7.13	2
Fall River	15.55	18	101.48	3	96.96	8	41.28	15	16.99	29	.67	25
Haakon	15.09	22	79.86	13	98.51	7	31.77	18	16.09	32	.26	41
Harding	10.00	37	99.24	4	85.85	11	10.99	28	8.25	49	1.38	14
Jackson	27.09	5	116.75	1	112.86	1	173.11	5	15.70	34	1.59	12
Jones	15.13	19	81.50	13	91.89	10	84.81	10	20.36	25	1.26	18
Lyman	12.92	30	69.90	26	73.44	23	30.45	20	13.56	40	.64	26
Meade	19.29	9	59.85	39	60.97	40	89.21	9	22.08	23	1.88	11
Mellette	18.20	14	52.47	56	37.56	64	158.82	6	14.58	37	4.39	4
Pennington	10.42	32	62.53	31	65.98	31	51.52	14	23.55	21	1.10	20
Perkins	8.16	52	82.71	10	77.73	18	27.06	22	60.72	4	1.19	19
Stanley	6.57	60	96.97	6	107.41	2	220.01	3	60.04	5	1.30	17
Tripp	14.17	25	47.13	58	53.97	56	45.86	15	26.47	20	1.91	10
Ziebach	26.65	7	61.56	33	69.12	30	275.29	2	118.69	1	7.47	1
Eastern:												
Aurora	$13.89	27	$71.71	23	$59.79	48	$3.60	44	$1.38	62	.04	61
Beadle	8.12	54	60.00	37	63.09	36	3.17	46	13.76	38	.39	35
Brookings	5.83	66	58.11	43	62.85	37	.65	66	36.52	14	.35	36
Brown	8.77	44	78.47	16	79.97	15	1.18	62	12.14	44	.51	30
Clay	10.29	33	61.49	34	59.05	45	5.71	37	.12	65	.13	49
Davison	7.42	58	78.45	16	71.28	27	.90	64	43.04	11	1.93	9
Grant	9.48	40	55.26	54	62.40	39	2.06	55	8.33	48	.04	62
Hamlin	8.45	50	58.11	44	59.42	44	.90	65	37.06	13	.45	32
Hutchinson	17.97	14	35.95	66	49.52	61	.23	68	13.74	39	.09	55
Lake	8.13	52	71.36	25	71.67	25	5.13	38	2.76	58	.07	57
Lincoln	9.30	41	58.14	42	58.29	47	6.54	35	7.02	50	.11	53
Miner	5.94	65	58.08	45	57.21	50	4.02	42	14.62	36	.16	47
Minnehaha	8.48	49	70.70	25	74.53	21	1.07	63	9.07	45	.06	58
Moody	12.92	30	74.36	17	62.75	38	2.34	54	20.20	26	.17	46
Turner	8.71	45	57.21	49	51.49	59	.56	67	1.04	64	.01	68
Union	5.99	64	58.54	41	58.23	48	3.22	45	2.99	56	.05	60
Yankton	9.80	38	62.08	32	53.12	58	2.00	56	1.48	61	.03	65

* Source: State Planning Board data.

TABLE 4.—Census, Number of Pupils, District Indebtedness, Per Capita Levy, and Valuation of Property in Common School Districts in Ziebach and Mellette Counties, 1934

District Number	School Census	Actual Enrollment	Indebtedness	Per Capita Levy	Valuation
		ZIEBACH COUNTY			
1	200	104	$53,956.61	$20.00	$443,463
2	305	137	11,132.93	15.00	757,825
3	182	57	2,633.31	22.15	316,617
4	51	28	9,031.25	15.00	103,943
5	62	35	28,615.78	16.30	158,428
6	27	15		4.79	158,532
7	24	18	294.32	15.00	59,506
8	44	30	991.07	12.65	184,675
9	10	5	4,623.37	22.34	71,870
10	44	32	7,288.72	15.00	85,032
11	38	13	14,567.50	21.57	93,726
13	50	37	17,120.13	15.00	86,450
14	26	6	1,000.00	15.13	191,581
15	169	66	52,432.63	22.12	362,229
		MELLETTE COUNTY			
3	70	31	35.64	9.70	247,418
4	45	28	11,075.13	15.00	40,318
5	13		5,545.02	16.20	32,235
6	39	26	2,006.65	15.00	65,173
7	85	44	7,234.01	15.00	185,020
8	66	75	16,858.18	15.00	150,976
9	47	20	1,807.98	15.00	134,713
10	34	19	198.52	15.00	126,772
11	24	9	15,980.19	20.00	62,445
12	46	7			126,109
13	45	28	4,515.05	15.00	113,750
14	42	26	2,278.38	15,00	133,748
15	44	16		15.00	85,028
16	31	21	3,204.53	15.00	80,258
17	26	14	8,680.78	15.00	59,505
18	24	22		15.00	72,039
19	50	26	1,994.95	15.00	157,776
20	69	39	6,509.17	15.00	74,624
22	14	20	3,352.39	16.20	24,780
23	14	11	2,988.31	15.00	65,646
24	54	34	3,270.00	15.00	109,780
25	66	24	707.54	12.00	146,897
26	46	27	4,385.63	15.00	77,167
27	30	20	4,507.52	20.00	48,476

approach than the usual contrasting of conditions as between different units.

Mellette county's financial plight is probably as bad as that of any single county in the state. At the beginning of 1935 the taxable land was 378,990 acres. Taxes on a large percentage of this were delinquent. The Indian land, which consists of 311,122 acres, is not subject to taxation. In addition to this, there were 48,074 acres of school land that were likewise tax free. In other words, about half the county area paid no taxes. In a different category were 41,873 acres of rural credit state land, subject to a maximum 9-mill tax for local purposes. The school land foreclosures amounted to 14,756 acres, much of which could be rented. Likewise, the tax deed land of 36,066[50] acres was largely under lease and brought in some revenue, although much less than under private ownership. An annual rent of five cents an acre will not support a very complex and expensive system of governmental services, even if all the rent is collected in advance.

50. 55,640 acres by July 30, 1936.

The total assessed valuation on all property in the county in 1934, the basis of the 1935 levy, was $3,188,293. The debt limit for the county, according to the state constitution, was 5 per cent of the above figure, or $159,515. But the outstanding warrant indebtedness of Mellette county was $339,656. Warrants were, therefore, issued over and above the debt limit by a sum of $180,141. Also, the counties are agents responsible for the school loan foreclosures; for this purpose Mellette owed the state $70,470 in principal and $19,310 in interest. The amount overdrawn from other funds to pay the state was $4,014. This county therefore owed $93,794, in addition to the warrants of $339,656.

With a valuation of only $3,188,293 and the legal levy limit of 9.50 mills, it is possible to budget only $30,288 for all county purposes, exclusive of debt. For this reason the county has had no road and bridge levy for two years and has accordingly been forced to use some of the motor vehicle fund for road maintenance. When salaries, Custer Sanitarium funds, care of the insane, and mothers' pensions are taken out, only a small amount is left to budget for the general fund.

In 1934 the county took deed to 17,020 acres. In addition several thousand acres were covered by $35,000 in permanent school fund mortgages, which were delinquent in taxes and interest and subject to foreclosure. It appeared that the following year the total valuation would be so low that it would be impossible to levy enough for operating expenses. As a matter of fact, by July of 1935 the county had become delinquent in the payment of officials' salaries.

The following financial statement issued by Mellette county gives a clearer insight into its affairs:

	1933	1934
Assessed valuation	$3,340,525	$3,188,293
Mill levy for the county	11.04 mills	10.61 mills
County tax levied	$36,879.40	$33,827.79

It is apparent that the tax base is extremely thin. Collections for 1934 were only 47 per cent of the $36,879.40 levied in 1933. This leaves 53 per cent of the taxes delinquent and unpaid, which narrows the tax base considerably. The balance in the general fund on January 1, 1935, was $8,533.55, and the balance in the sinking fund for the same date was $33,610.40, making a total of $42,143.95 in sinking fund and general fund.

Financial Condition of Ziebach County.—A little over one-fourth of Ziebach county (see Fig. 6) is non-taxable Indian land. The school loan foreclosure land represents a deficit, and a heavy one, to the county, since the county is responsible to the schools for the mortgage, interest, and taxes. The rural credit land pays a local tax, and the county tax deed land has been rented for about five cents per acre per year, but these rents probably do not net 50 per cent as much as taxes formerly did. (See Table 12 in the Appendix.) When to this somewhat speckled county map there is added 44,050 acres, or 8.6 per cent, of Ziebach area, delinquent for one year; 75,390 acres, or 14.8 per cent, delinquent for two years; 58,275 acres, or 11.4 per cent, delinquent for three years; and 91,500 acres, or 18 per cent, delinquent long enough to be subject to tax deed, the plight of Ziebach county becomes apparent.

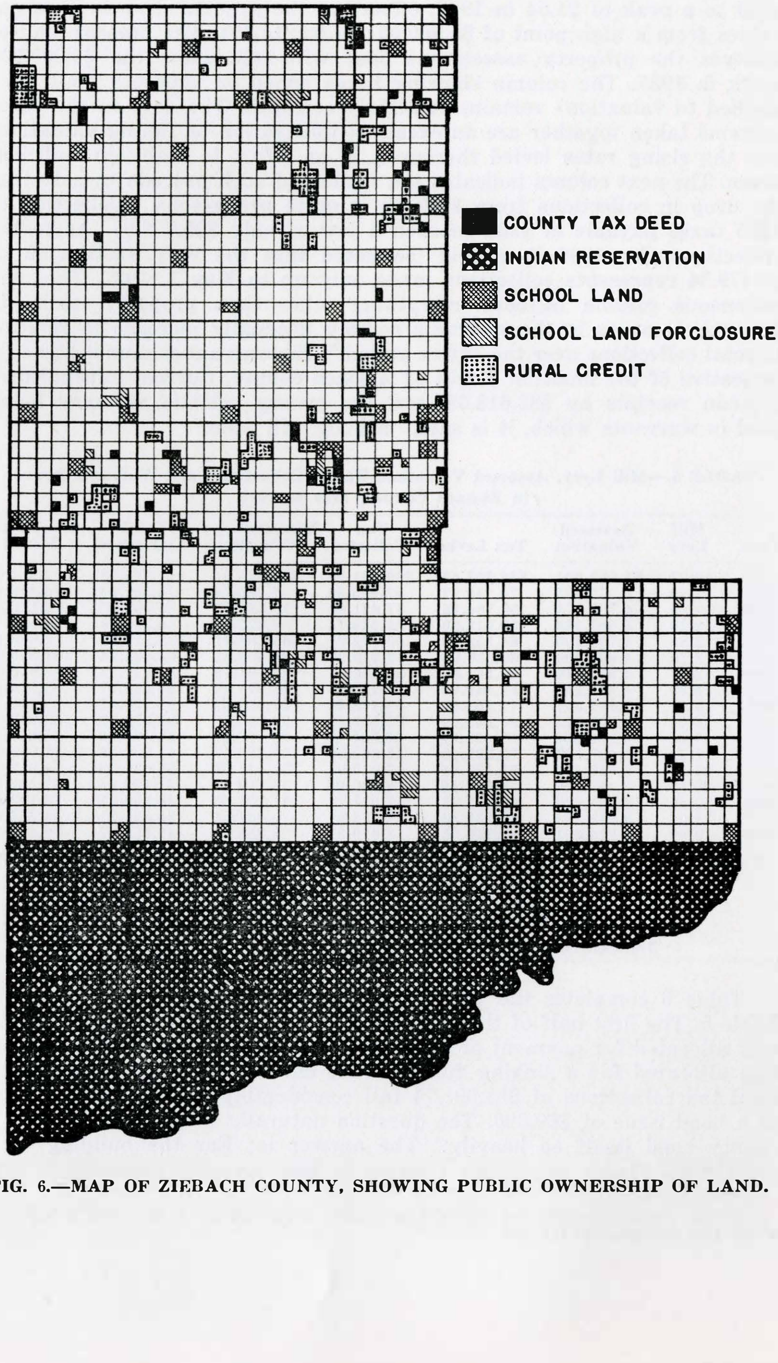

FIG. 6.—MAP OF ZIEBACH COUNTY, SHOWING PUBLIC OWNERSHIP OF LAND.

Tables 5 and 6 give the financial history of Ziebach county from 1920 to 1936, inclusive. Table 5 shows that the mill levy climbed from 10.77 in 1920 to a peak of 21.54 in 1932, offsetting the gradual drop in assessed values from a high point of $5,950,001 to $3,214,351. The present auditor believes the property assessment base will fall below the $3,000,000 mark in 1937. The column showing taxes levied on property (mill levy applied to valuation) remains relatively constant. The data in the three columns taken together are an excellent illustration of falling valuations and the rising rates levied thereupon in an effort to maintain sufficient taxes. The next column indicates the futility of such procedure; note that the drop in collections from 1929 on is quite precipitous. Collection of 1935 taxes payable in 1936 reached a low of only $25,773.97. As to the collections for 1936 it should be noted that the very small sum of $8,479.34 represents collections made only up to May 1, 1937. The miscellaneous column includes everything other than property taxes. In general, amounts in the warrants column gradually increase in relation to total collections over the entire period.[51] The warrant column is strongly indicative of the financial plight of Ziebach county. Current expenditures out-run receipts by $83,613.68, and the county officials are now being paid in warrants which, it is said, "nobody will take."

TABLE 5.—Mill Levy, Assessed Valuation, Taxes, Collections, and Warrants Issued in Ziebach County, 1920 to 1936

Year	Mill Levy	Assessed Valuation	Tax Levied	Tax Collected	Miscellaneous Collections	Total Collections	Warrants Issued
1920	10.77	$5,950,001	$64,307.42	$69,361.54	$11,345.44	$80,706.98	$64,364.90
1921	12.99	5,576,305	70,749.77	67,223.35	7,634.64	74,857.94	74,453.09
1922	10.85	4,737,274	50,104.15	47,631.62	18,468.43	66,100.05	70,170.40
1923	12.20	5,007,166	59,513.90	55,949.24	8,370.96	64,220.20	89,540.17
1924	13.85	4,737,400	64,352.28	60,779.21	43,198.71	103,977.92	72,680.10
1925	12.70	4,862,980	60,910.03	56,519.93	38,408.81	94,928.74	103,355.36
1926	12.87	4,935,616	60,554.60	55,320.07	26,291.15	81,611.22	98,952.07
1927	13.80	4,811,251	61,849.70	55,775.55	38,878.12	94,653.67	83,974.66
1928	15.31	5,194,897	77,800.59	68,773.40	27,485.55	96,838.55	90,540.37
1929	16.96	5,201,543	86,503.02	72,529.12	23,050.10	95,579.22	83,946.95
1930	17.90	4,956,982	87,463.01	66,536.48	22,959.90	89,496.38	95,050.33
1931	17.59	4,487,082	78,235.43	46,823.09	18,380.47	65,203.56	88,975.67
1932	21.54	3,655,490	78,177.64	47,516.07	10,541.01	58,057.08	56,912.03
1933	20.60	3,459,740	70,577.46	38,150.06	13,503.49	51,653.55	67,400.59
1934	20.40	3,454,820	69,871.98	37,027.72	11,831.65	48,859.37	73,193.55
1935	21.06	3,218,878	67,231.84	25,773.97	9,047.84	34,821.81	64,356.97
1936	19.09	3,214,351	62,756.85	8,479.34	3,386.43	11,865.77	9,670.53
Totals				$871,069.36	$332,872.70	$1,203,852.06	$1,287,465.74

Total warrants issued	$1,287,465.74
Total collections	$1,203,852.06
Indebtedness	$83,613.68

Table 6 completes the picture; the same period is considered as in Table 5. The first half of the table shows the proportion of the total mill levy allocated for payment of interest; the second half shows the proportion allocated for a sinking fund to take care of maturing bonds. The total tax collections of $58,991.74 fall considerably short of taking care of a bond issue of $69,000. The question naturally arises, Why should a county bond itself so heavily? The answer is: For the building of a courthouse. Under conditions existing in this area, an expensive court-

51. The warrant column represents total county expenditures for the year in advance of the year indicated at the left.

house or school, though perhaps no better than one would find in other regions, often proves to be the "last straw." It is a little more than can be paid for unless conditions are favorable, and "favorable conditions" mean rain and satisfactory prices for agricultural products.

The plight of Ziebach county is but one example of a situation that has developed in many counties with low rainfall. A new area is opened up, an attempt is made to farm it, although physical and climatic conditions favor grazing; an attempt to develop governmental services desirable for a farming area is made; hence, high per capita taxes and high per capita expenditures. Because of an attempt to produce crops where rainfall is adequate only for grass, crop failures ensue. Debts, public and private, pile up; there is some loss of population; income disappears; taxes are heavier; expenditures are larger; delinquency increases and continues to increase; the county is forced to take more and more land; the tax base grows smaller; the levies must be increased. The increase in taxes, levies, and per capita expenditures creates additional tax delinquency, and the county must take more titles. As more land becomes publicly owned, the burden on the remainder in individual hands becomes greater. Publicly owned land increases delinquency by narrowing the tax base, and high expenditures and taxes force more and more of the land into public ownership. Failure comes where human activities are out of adjustment with the natural environment.

New "Public Domain" in Northwest Section.—Table 7 presents a final summary and a somewhat more recent picture of tax delinquency in eight of the counties located beyond the Missouri River in the northwest section of the state. The "taxable lands," taken from the tax list volumes in each county by the State Planning Board, represent total assessed acreage. For example, on January 1, 1935, Perkins county had 227,502 acres of land subject to tax deed. This proved to be 14.3 per cent of all land assessed in the county. There were 148,874 acres, or 9.3 per cent,

TABLE 6.—Mill Levies, Taxes Levied, and Collections for Interest and for Bond Sinking Fund in Ziebach County, 1920 to 1936

Year	Interest Levy (in mills)	Tax Levied	Tax Collected	Bond Sinking Fund Levy* (in mills)	Tax Levied	Tax Collected
1920	.60	$3,570.00	$3,359.13	.17	$1,011.50	$ 951.87
1921	.63	3,511.06	3,289.73	.36	2,009.48	1,880.36
1922	.80	3,789.82	3,612.56	.45	2,131.77	2,033.07
1923	.75	3,755.37	3,534.27	.45	2,253.22	2,120.70
1924	.75	3,552.53	3,364.25	2.20	10,422.80	9,854.49
1925	.75	3,647.48	3,400.44	1.00	4,862.73	4,533.40
1926	.55	2,659.37	2,445.90	.40	1,934.47	1,779.19
1927	.20	962.15	873.75	.46	2,213.27	2,009.91
1928	.25	1,298.93	1,155.47	.70	3,636.21	3,234.62
1929	1.00	5,201.54	4,392.87	1.50	7,802.31	6,589.30
1930	.30	1,487.39	1,143.27	1.50	7,435.17	5,714.95
1931	.35	1,570.57	974.27	1.50	6,730.53	4,175.17
1932	.44	1,608.69	968.21	1.73	6,323.73	3,805.95
1933	.42	1,452.73	799.29	1.73	5,985.71	3,293.33
1934	.42	1,450.69	994.83	1.74	6,011.72	4,122.16
1935	.45	1,448.75	602.95	1.87	6,019.05	2,505.01
1936	.16	514.33	66.73†	.93	2,989.31	387.81
Total		$41,481.40	$34,977.91		$79,772.98	$58,991.74

* Original bond issue was $69,000.00. Bonds still unpaid, $9,000.00. Last payment was due July 1, 1936. Balance in interest and sinking fund on June 1, 1937 was $1,539.25.

† To April 1.

TABLE 7.—Taxable Lands in Various Counties Delinquent One Year or More on January 1, 1935*

County	Subject to Tax Deed, Jan. 1, 1935		Three Years Delinquent		Two Years Delinquent		One Year Delinquent		Total Tax Delinquency	
	Number of Acres	Percentage of Total Acreage of County	Number of Acres	Percentage of Total Acreage of County	Number of Acres	Percentage of Total Acreage of County	Number of Acres	Percentage of Total Acreage of County	Number of Acres	Percentage of Total Acreage of County
Total	**943,635**		**592,043**		**667,879**		**476,607**		**2,680,164**	
Armstrong	4,040	20.0	580	2.8	600	3.0	--	--	5,220	25.8
Butte	116,440	11.7	54,560	5.5	73,960	7.5	56,120	5.6	301,080	30.3
Corson	147,140	21.1	71,252	10.2	55,750	8.1	87,916	12.6	362,058	52.0
Dewey	74,937	18.1	51,922	12.5	13,865	3.3	--	--	140,724	33.9
Harding	67,070	6.2	76,136	7.1	88,440	8.2	69,772	6.5	301,418	28.0
Meade	214,996	11.1	130,444	6.8	160,018	8.3	106,331	5.5	611,789	31.7
Perkins	227,502	14.3	148,874	9.3	199,856	12.5	112,418	7.0	688,650	43.2
Ziebach	91,510	18.0	58,275	11.4	75,390	14.8	44,050	8.6	269,225	52.8

* Source: State Planning Board.

delinquent for three years; 199,856 acres, or 12.5 per cent, delinquent for two years; and 112,418 acres, or 7 per cent, for one year, making delinquent a total of 688,650 acres, or 43.2 per cent of all acreage subject to assessment. Two of the counties (Corson and Ziebach) were, on January 1, 1935, somewhat more than half delinquent. During the year rain was insufficient to produce crops, and even sheep were taken out of the area on account of the intensity of the drought. Hence the figures here given do not portray the situation at the time of writing—they are doubtless far too conservative. In view of the financial burdens upon the land and the cumulative nature of delinquency, as shown in Table 7, the "public domain" will, no doubt, continue to increase until the area enjoys one or two good crops. Permanent improvement can come only from proper adjustment of economic activities and governmental services to the physical and climatic environment.

The following figures are for a later date than those in Table 7—that is, around June 15, 1937. At this later date Corson county owned 87,575 acres and justifiably could double the figure, as could Ziebach county with its 59,759 acres. On April 16, 1937, Harding county owned 196,867 acres, not including the 19,091 acres of school loan foreclosure land. The county had actually leased at exceptionally low rentals 173,271 acres, including a portion of the school loan land. The Butte county acreage of 265,702 tops the list of county-owned land in the state. These figures on total acreage give only a rough idea of the size of the present county holdings. The fact that one county has twice as much as another may be due to the difference in size of the respective units, or perhaps to the attitudes of county officials toward taking more land. In all cases that the author has examined, the existing domains could be greatly increased if the county officials cared to do so.

Part III

Note: Part III is included because of its bearing on county revenues.

Control and Supervision of County-Owned Land

Control by the County Commissioners.—The county tax deed land is fully as much, or even more, of a problem after reaching the stage of public ownership than in the previous stage. Once land reaches public ownership, the county commissioners are responsible for it, and they find it indeed a most unwelcome obligation. The land is divided among the county commissioners, who become farm supervisors. In many cases their supervision is excellent, but on the whole their problems appear to baffle them. Though many of them are farm owners, their share of say 160,000 acres, as divided among the county commissioners, creates problems radically different from those of individual farm management. The insurance companies hire specially trained people to take charge of groups of farms. The county commissioners, on the other hand, must look after all the county's business, which has come to include farm management on a large scale, in addition to their private businesses. It is scarcely any wonder that in many instances the tax deed land gets very little supervision. The necessary administrative machinery does not exist for the proper supervision of this land, and in many cases the commissioners are not prepared for their new tasks.

Leasing.—With the increase of the publicly owned land, the first economic problem to arise was that of revenue. It was readily apparent that a small rent, especially a cash rent, was better than no return at all. Spring leasing started in a most haphazard fashion. The results were frequently very disappointing; crops failed, and few paid rents. As one commissioner said, "What can you do? I pass their places every day, I can see they haven't got anything." As time passed, the commissioners learned through the usual and expensive process of experience; the conclusions at which they finally arrived are crystallized in the letter that follows:

Office of County Auditor
White River, S. D.
January 15, 1934

Dear Sir:

The following is a copy of a resolution as passed at the regular meeting of the Board of County Commissioners on the 5th day of January, 1934, and it explains itself:

Whereas, Mellette County owns many tracts of farming and grazing lands by virtue of tax deed and the foreclosure of school loan mortgages:

And whereas, it is the duty of the County Commissioners to lease such lands to the best interests of the county:

And whereas, it is apparent from past experience that leasing same on shares or time payments has not been successful or beneficial to the county:

Therefore, be it resolved, that all leases made hereafter be for cash at the time of the execution of the lease; further that February 6, 1934, be designated as the lease date, at which time all unleased county-owned lands will be offered for lease at public auction to the highest cash bidder; further that all such land will be appraised at a minimum lease price and that any lands not leased on the lease date may be leased later for cash at the appraised price at the office of the county auditor.

Be it further resolved, that parties now holding term leases on which the payment was due on January 1, 1934, be given an extension of one month, or until February 1, 1934, to make such payment before their lease is declared null and void.

Be it further resolved, that parties owing for former leases will not have the privilege of leasing county lands until such delinquent payments are made, and the County Auditor is hereby instructed to mail to all such parties a copy of this resolution.

Approved by the Board of County Commissioners and attested by the County Auditor.

Sometime before the 1st day of February the County Board will place an appraisement on all county lands for lease, and any one having a lease on which the 1934 lease is not paid should take care of same at once, as this office will make up a list of lands to be leased at that time and after it is made up no leases will be accepted again until February 6th, at which time the list will be offered at public auction.

Yours very truly,
W. R. Wilder
County Auditor

Rentals.—The period of leasing naturally varies between different counties and within each county, according to several factors. An occasional five-year lease was noted on the books; these longer-term leases are usually to ranchers, who generally own only a small tract, leasing the rest from the county at low rentals. The three-year lease is quite common, probably more so than any other. However, the records show that the specified terms are meaningless, since leases are abandoned at will and a piece of property may be leased by two or three different persons during the one period originally signed for.

Rentals also vary widely from county to county, the rate being determined by the commissioners on the basis of past experience. It is rare that more than 10 cents per acre is charged (as in Corson county) or less than 5 cents (as in Mellette county). There is now a tendency to reduce even these rates. A notable exception is Harding county, where farming is subject to a 25-cent rate, whereas the grazing land carries only 5 or 6 cents.[52] Rental rates, like taxes, tend to be uniform on all grades of land, giving rise to serious inequalities. (Note Tables 10-12 in the Appendix for detailed information on variations between tracts.)

Collections.—Through the same sort of hard experience as in Mellette, most of the counties have learned to demand a lump sum payment in advance when the lease is signed. If payment can be obtained in advance, the commissioners' problems are reduced to a minimum; any other method of payment is sure to produce difficulties. The payment partly by cash and partly by sharing the crop with the county calls for supervision from the commissioners at a time when they are frequently busy taking care of their own businesses. If there is no crop, of course, as has frequently been the case in late years, there is no problem of supervision and collection; the county government simply receives no revenue. The share-lease agreements tend to put the county government into the farm

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52. Harding county commissioners became alarmed in the forepart of 1937 and proceeded to cut rates on range land to 2½ cents per acre annually, likewise reducing the rate on farm land to 12½ cents. This was to last for a twelve-month period.

business on a large scale; and when the dry year is the normal year, the county really becomes a speculator on a large scale. It is scarcely necessary to add that most of the counties have been decidedly unsuccessful in their share leasings.

Maintenance.—No maintenance policy has been formulated at any time in connection with county-owned land. If there is any policy, it is to spend as little as possible, in the meantime hoping for good crops and sale of lands. There are a multitude of possible expenditures in connection with income-bearing property that the commissioners must face after a fashion. There has been a tendency to economize on insurance policies. A story is told of a group of commissioners who reduced the insurance on a set of farm buildings from $2,000 to $1,000; last January they all burned down, increasing still further the original loss to the county. In contrast to this economy policy the insurance companies and the Land Bank at Omaha are spending considerable sums for paint and shingles, and in some instances are actually constructing new buildings in preparation for, and to stimulate, land purchases. However, since the tax deed land is in a somewhat different category, and the advisability of maintenance is more questionable, it is likely that the policy of spending as little as possible will be continued.

Accounting Records.—Such records as the county auditors have maintained in relation to public ownership of land are the most baffling the author has ever encountered. Here, as elsewhere, there is variation, and it may be said that the records seem to improve with the length of time the counties have been in the land business. In Corson county an efficient ex-auditor was given the task of setting up county tax deed records. These stand today as probably one of the best sets of records in South Dakota. They give complete information on delinquent taxes, encumbrances upon the land, costs of acquiring the land, maintenance, terms of the lease, receipts from the property, sale into private hands, and finally losses or gains to the county.

Usually after the collection of rents by the commissioners these sums are brought to the courthouse, turned over to the treasurer, and entered on the miscellaneous receipts book. It becomes difficult to check these payments and even to find out who paid. The entry may be made in the auditor's books or it may not. Each leaf in the record book is used for anywhere from one to several tracts, anywhere from 80 acres to 8,000 acres. No indication is made of the tax history or the amount of the encumbrance on the land. Also, what information is given may actually be misinformation, since the records are frequently not up to date. Furthermore, the records are at best extremely complicated. A 400-acre tract may be leased and re-leased several times in three years with consequent payments, part payments, and no payments. The record required for this is most involved; frequently only the auditor understands it, and if he happens to be a new office-holder, it will be too much even for him.

Experience in Managing County Lands.—There are at least three counties in South Dakota which have been managing their tax deed land in accordance with a definite program. Marshall county in the northeast part of the state has a salaried manager to supervise the tax title land and the school loan foreclosure land. Pennington county has a land depart-

File No. ________ Town ________________ Lot ________ Block ________

Description of Land ________________ Section ________ Township ________ Range ________

Date of Tax Deed ________________ 19 ____; Recorded Book ____ Page ____; ________________ 19____

Date Sheriff's Deed ________________ 19 ____; Recorded Book ____ Page ____; ________________ 19____

Of Whom or How Acquired ________________ Appraised Value Classification

Property Insured { Fire $ ________ / Tornado $ ________ / Hail $ ________

Structures $ ________ Agri. Lands ________

Real Estate $ ________ Grazing Land ________

Total $ ________ Timber Land ________

Total Acres ________

RECORD OF INVESTMENT BY COUNTY OR ENCUMBRANCES AGAINST PROPERTY

ITEM	COSTS	Permanent School Fund	Int. Permanent School Fund	Year	TAXES Amount	TAXES Interest	TOTAL
Sheriff's Costs				1918			
Attorney's Fees				1919			
				1920			
Advertising				1921			
				1922			
Postage				1923			
				1924			
Recording Fees				1925			
				1926			
Foreclosure Fees				1927			
				1928			
Permanent School Fund				1929			
				1930			
Interest Permanent School Fund				1931			
				1932			
				1933			
				1934			
				1935			
				1936			
				1937			
				1938			
				1939			
				1940			
				1941			
				1942			
				1943			
				1944			
Total Costs							
Total Permanent School Fund							
Total Taxes							
Total Investment or Encumbrance							

SALE RECORD

Ordered Sold by Commissioners ________________ Commissioners Record ________________ Page ________

Advertised, from ________________ to ________________ in ________________

Name of Highest Bidder ________________ Amount Bid $ ________

Notice of Sale Posted (Value Less Than $100.00) ________________ to ________________

Sale Approved by Commissioners ________________ Commissioners Record ________________ Page ________

Terms of Sale: Cash $ ________ Balance on Contract $ ________ Due ________

DATE	TO WHOM SOLD	TERMS OF SALE Cash	TERMS OF SALE Notes	NOTES Dated	NOTES Due	Mortgage Recorded	Book	Page

File No. ________ Town of or Description of Land ________________ Lot ________ Section ________ Block ________ Twp. No. ________ Rge. No. ________

File No ________ Town ________________ Lot ________ Block ________

Description of Land ________________________ Section ________ Township ________ Range ________

LEASE RECORD

DATE	PERIOD OF LEASE From	PERIOD OF LEASE To	TO WHOM LEASED	TERMS OF LEASE Cash	TERMS OF LEASE Mortgage	MORTGAGE DUE	LEASE CANCELLED

RECEIPTS FROM SALE

Rec. No.	Date	By Whom Paid	Amount

RECEIPTS FROM LEASES

Rec. No.	Date	By Whom Paid	Amount

DISBURSEMENT OF RECEIPTS

Order Number	Date of Order	General Fund	Costs	Perm. School Fund	Int. Per. School Fund	Year	Taxes Amount	Abated
Taxes Abated								
Accounts Credited								
Total paid and Abated to balance Investment								

ment which handles 155,000 acres under the direction of William Meyers. Harding county in the northwest corner of the state has a unique plan for the use and disposition of its reverting lands known as the "Block Plan." Summaries of the Harding county and Marshall county programs are given below.

The Harding County Plan.—Harding county had acquired considerable amounts of land, much of which was a result of taking tax title. Also, there were large amounts of land subject to tax deed. Since the predominating type of agriculture in the county is ranching, an attempt has been made to use the county land in such a way that it will benefit ranchers. A second reason for the particular type of program used in Harding county is to get some revenue from the county land, much of which was previously used without a lease.

An individual rancher may outline the unit he decides to operate. He then takes the outline to all of the operators whose land adjoins the unit he has blocked out to get their signatures approving this block. In case it is impossible to come to an agreement over the boundary of the block, no block is established. Otherwise, a plat map of the unit with the signatures of operators of adjoining land is then submitted to the county commissioners. When the commissioners approve this block, it is filed with the county auditor. Any land reverting to the county that lies within the block is leased to the rancher at the prevailing lease rate. Should the rancher reject the lease, the block is void. The rancher does not necessarily have control over all the land in the block, but he signifies his intention to lease any county land in the block submitted.

The rancher follows the same procedure in leasing the land that he would without the block. The lease offered by the county is for a term of five years. All leases begin March 1. Where land is subject to lease before that date the operator is given a temporary agreement until March 1. The minimum lease rates are fixed by the county commissioners. In most cases the land is leased for the minimum. In 1936 the minimum annual rent was $8 per quarter for grazing land and $40 per quarter for land on which crops are grown. Because of drought, these rates were reduced 50 per cent in 1937. All leases are subject to sale of the land. However, the commissioners try to discourage the purchase of small units to be used for cultivation unless they are included in a larger ranch unit.

Under this program 31 blocks had been formed by 1936, including an area of 200,000 acres, of which 39,000 acres were county land. The revenue to the county amounted to about $2,000 annually.

The "block plan" has a number of advantages. It tends to help individual ranchers set up what they consider more efficient ranching units. It gives someone who is interested in maintaining the natural grass resources control of the land. The county gets some revenue from all its land in these blocks.

There are still many problems confronting Harding county officials in connection with the program. The lease is still subject to sale, which continues instability in ranching operations. There is no program to reduce taxes to compare with rents. In 1936 the rent on grazing land was from $2 to $4 less per quarter than taxes. In 1937 rent was $7.50 to $9.50 per quarter lower than taxes. There is no control of land other than county land.

The Harding county officials have definitely recognized the problem of handling county land and have taken steps toward a solution.

Marshall County Program.—The summary of the Marshall county program is given in the following letter from R. F. Comstock, county manager of the tax title land in Marshall county.

March 30, 1937

Mr. R. B. Westbrook,
Department of Agricultural Economics,
South Dakota State College,
Brookings, South Dakota.

Dear Sir:

Sometime ago you requested me to give you an outline regarding the manner in which I was handling Marshall county properties from the time the county came into possession through tax deed proceedings or foreclosure of school loans.

When this department comes into possession of tax deed property it is first entered into the road book, which contains descriptions of all Marshall county farms. (A separate book is kept for city properties.) All farm and city properties owned by Marshall county are described and also numbered in these road books. We have twenty-five townships in this county and each piece of property has been given a number. For instance, in Dayton Township we have eight different pieces of land numbered Dayton No. 1, Dayton No. 2, etc. The city properties are numbered Britton City No. 1 and up. I find that these numbers help speed up the locating of different properties, and descriptions can always be checked on after the property is located. In making debit or credit entries for these different pieces of property, using the township or city number in place of writing out the complete description of the property simplifies the work.

A ledger sheet is then filled out with the township or city number, a description of the land, from whom obtained, the date, whether tax deed or school loan foreclosure, and the cost to the county.

A folder is made showing the number of the property, description, tax deed or foreclosure and from whom obtained. This folder is dropped into the file under the name of the township. (We have separate files for city and township properties.) This folder is used to file all bills, old contracts, in fact, all the business for that particular piece of property.

We also have a large county map on which we color the different pieces of property owned by the county. As fast as the land is leased a maptack is placed on that property on the map. Different colored tacks can be used for any particular information.

We rent our lands for cash and cash and share. The bulk of the land rented for cash is grass and pasture land. In some cases we rent cultivated land for cash. If cash rents are not paid at the time a share lease is made we either get additional security or place a clause in the lease stating we have an additional claim for cash rent which is a part of the contract. Where we rent on shares the renter furnishes the seed, pays all expenses, and delivers our share to the elevator free of cost to us. On land without buildings we get one-quarter share of the crop, and with buildings we get a one-third share. Rents are collected at threshing time.

When the county comes into possession of a piece of property, either through tax deed or school loan foreclosure proceedings, we usually find the buildings in poor condition. We have usually used about 50 per cent of the farm income from that particular farm for repairing the buildings or fence, but the last few years with no crops have compelled us to get along without much rebuilding of any kind. Where a farm produces no income we cannot put anything into it, and we have not been using money received from one farm to build up another in the same township. I have some cases where a renter had no crop at all and said he could not pay any cash rent, but would go out and get the material someplace for the repairs and repair the property. In such cases I have given credit for the material on their cash rent, but they did the work free of charge.

All rents or proceeds from a farm are credited to that particular piece of property and when the property is sold the net proceeds from such sale are turned over to the county treasurer and credited to the township or city, whichever it may be.

We have sold some of our city and farm properties for cash. As a rule, though, the buyers make a cash down payment and a contract from one to three years. We regulate our down payments as near as possible to the following:

All sales up to $100 are all cash.
On sales up to $500 we ask about 40 per cent down payment.
On sales from $600 to $1000 we ask about 30 per cent down payment.
On sales from $1500 up we get from 20 to 25 per cent down payment.

Of course you understand some people can buy with smaller down payments than others, depending on their financial statement. Sales of all county property are made in the manner set out by the laws of the State of South Dakota.

At the end of each month I make a statement of the month's business for the county commissioners. It is made out along the following lines:

- Cash in bank at the beginning of the month.
- Cash receipts for the month:
  - Rents
  - Deposits on sales
  - Real estate sales
  - Wheat allotment received
  - Soil program receipts
- Disbursements for the month:
  - Office expense
  - Mileage
  - Paid out on real estate
    - Building material
    - Labor
    - Insurance
    - Miscellaneous
  - Cash paid to county auditor or treasurer
- Balance in cash in bank at end of the month

An additional statement is made at the end of the year showing the year's business.

This office was opened about four years ago and at the present time we have around 100 pieces of farm land and about 150 pieces of city properties. At the present time, after four years of crop failure, this department is independent of the county and paying its own way.

Trusting the above gives you the information desired, I am,

Yours very truly,
R. F. Comstock, Agent

Land Agent's Work in Pennington County.—Two years ago Pennington county officials had not taken deed to their delinquent land, having allowed much of it to remain under tax certificates standing in the name of the county for many years. The local governments received neither rents nor taxes, and Pennington county debts piled up rapidly as the depression tightened down. About this time, the commissioners appointed William Meyers as land agent, to take charge of what was becoming a serious public finance problem. His position was an appointive one, which permitted him to go fearlessly about his task, taking deed immediately in the more serious cases. And when displeasure was encountered, the commissioners could "pass the buck" to the land agent.

At the end of two years, approximately 90,000 acres of agricultural property belonged to Pennington county, much of it being leased out at a rate of about eight cents an acre per annum. By June, 1937, about 70 per cent of this land was leased, some for cash, some on a share basis calling for additional supervision. Mr. Meyers claimed he was gradually approaching the point of having too much to take care of and that he did not see how he could supervise the share leases. (See pages 44-45 for the form devised by Mr. Meyers to give a complete record of tax deed and school loans foreclosure land.)

Comparison of Rents and Taxes and the Economic Consequences: Corson County.—The Corson county tax record has been selected to indicate the relation of rents to taxes because of its size and completeness. It includes all the tax title land in a large county at the time the record was taken, June, 1935. (See Table 8 in the Appendix.)

The total number of acres of tax title land in Corson county is 62,771.34;[53] the number of tracts, 409; the average acreage per tract, somewhat below 160 acres. For many purposes it would be helpful to have grazing land and farm land accounts separated. Such a record might show that farming as distinguished from ranching is an unsuccessful industry in this area. However, this separation would be impractical, since the use of this land tends to change from year to year.

The average period of delinquency for these Corson county tracts is about seven and a half years. In other words, the county officials permitted them to run delinquent until all hope of possible redemption had disappeared. The average tax delinquency on the 409 units amounts to $467.38. This may not appear particularly large, but recall that values in this area were never much above $20 per acre, and at the depth of the depression much of the land could be purchased at from $1 to $2 an acre. A tax delinquency of approximately $500 on 160 acres is therefore a heavy encumbrance. If interest is taken into account, the average is increased to $564.55.

The total delinquent taxes on the 409 units amount to $191,156.99; the addition of penalty and interest increases this to $230,901.80. If all receipts, which include rents and sales to private individuals, are deducted, the total net loss to the county is $207,673.34, which means an average loss per tract of $507.76. The ratio of the average tax delinquency per acre to the average rent per acre is 2.25 to 1.0. In other words, taxes were somewhat more than double the present rental revenue. It is true that the taxes were not collected, but it is likewise true that all rents are not collected. Just as rents are scarcely half of what taxes used

53. By June 17, 1937, the acreage had been increased to 87,575.

to be, so rents are now about half of what taxes are on adjoining private property. This deduction can be made by simply checking the last year's tax list volume.

Mellette County.—The available data on Mellette county are merely a sample, consisting of figures on some 5,000 out of a possible 60,000 acres. (See Table 11 in the Appendix.) The total net loss in delinquent taxes of this acreage is $18,251.96, resulting in an average net loss for each tract of $499.39. This figure is quite similar to that for Corson county, which included all delinquent land at the date taken. The delinquent period is on the average about six years, somewhat lower than for the other counties. Mellette appears to have been driven to take action on the delinquent land somewhat before many other counties. It will be recalled that Mellette county is not old, that it does not have a railroad that pays taxes, and that a considerable portion of its area consists of Indian and other lands falling under various governmental categories. In other words, sheer lack of revenue, growing out of a narrow tax base, forced the officials to take up the land and rent it for immediate revenue. Note the average rent per acre given in Table 11. The rents will be seen to vary much more than in Corson county, where rates are fairly uniform, regardless of the quality of the land. Evidently the commissioners took what they could get. The ratio of the average tax per acre to the average rent per acre is 3.23 to 1. In other words Mellette county evidently is not getting the revenue that her neighbor to the north is receiving.

Who Shall Control the Publicly-Owned Lands?—There is no one solution for South Dakota's problems associated with publicly-owned land. However, as to jurisdiction, the counties give evidence of being the natural control centers; and if additional concentration and control is needed, as it most surely will be, it can be applied by the counties with perhaps less difficulty than by any other unit.

Township Supervision.—It would be possible, of course, to transfer this public land and all its attendant responsibilities to the township and township supervisors. Since the township is the basic local unit, the supervisors would have close local contacts, which is an advantage in land control. As Mr. Meyers, land agent in Pennington county, said, "Our county is so large that many things can be put over on us without our becoming aware of them. If this responsibility could be placed in the hands of the township supervisors, and the right kind of supervisors elected, that would be superior to the present county administration." Unfortunately, the qualification "right kind of supervisors" is difficult to fulfill. Moreover, the plan places responsibility in innumerable local boards which would be much more difficult to control than county boards.

State Administration.—This would offer a desirable concentration of responsibility and appears more feasible than township control, but the state now has its own land problem and does not seem to be in a position to take on an additional one; the present state indebtedness growing out of the rural credit venture is in the neighborhood of $38,000,000. Later on, if the county administration becomes too unsatisfactory, a leasing system might be developed in which the state would lease all local public land, allocating funds to the counties for this purpose, and then release to individuals and associations with the necessary restrictions on use.

However, such restrictions on use might well be initiated by the county commissioners without leasing and re-leasing through a state agency.

Federal Administration.—There is still another possibility to consider, namely, federal administration. Outright purchase of the domains from the counties probably could be accomplished. In fact, appraisals have been placed by a federal agency on a portion of the county-owned land in Pennington county, but the exhaustion of funds has prevented purchases. Though considerable land has been purchased for different purposes, relatively the amount is a small proportion of delinquent land. Acreage purchased has been added to Indian reservations, parks, and forestry preserves or set off for experimental purposes as in the selenium areas in the south-central portion of the state.

All in all, outright purchase of large acreages of South Dakota lands by the federal government appears to be out of the question. Local attitudes may not be entirely favorable to federal purchase and the majority of the population still think in terms of individual ownership, control and use of land.

A federal purchase program would have to consider marginal as well as sub-marginal land. Such a program of outright federal purchase for control purposes would involve extensive areas, not only of land definitely known to be grazing land, but also of a more or less indefinite transition area, between the Missouri and James rivers, which is marginal for certain uses because of low rainfall. Relatively little research has been done in the area, but its occasional bountiful production may be a factor in creating instability in the supply of certain crops and hence in domestic prices.

As with state administration, perhaps some leasing system beginning in the northwest and extending east might serve the purpose better than a purchase program, though the returns to the counties in most instances would be meager as compared with revenues from taxation when farming was flourishing.

Under either state or federal control some program of curtailment of public expenditures, payment of debt, and consolidation of many tax-levying jurisdictions would have to follow land purchase. In other words this area would have to be changed to a range economy. There is not only a land use and a public finance problem in the west river region but, more important still, a population problem, for the area is, or was, probably over-populated on the basis of its recent production, a number of people having emigrated from the area during the drought.

Additional co-ordination and consolidation of federal activities appear to be needed even though activities of the various governmental agencies interested in the land problem are already being co-ordinated to eliminate overlapping.

The work of relief and loan agencies on the one hand and of the land use and rehabilitation agencies on the other appear to be in direct contradiction—the former tending to keep the farming population on the land, the latter working toward the curbing of farming in the marginal areas. Federal relief funds have been the mainstay of a considerable part of the state's population, and may have helped to maintain the population of the west river area at a little less than its pre-depression figure. The federal loan agencies have also been liberal in supplying funds to farmers, not only in the west river region but also in the transition area between the Missouri and James, rivers. In such counties as Hughes, Sully, Potter, Walworth, Campbell, Hyde, Faulk, Edmunds and McPherson, these loans have encouraged the farmers to continue to till the soil in hope of fair crops.

On the other hand, in the western part of the state the land use agency has been gathering research data with the apparent idea of ultimately curbing farming and controlling the range.

Reasons for Continuance of County Control and Recommendations for Changes.—The new "public domains" are now owned principally by the counties, and probably will continue to be so unless some distinctly better plan can be devised. It is important that counties now possess the necessary legal machinery for control of the "public domain." The county has made a start, and the fact that its land policies are not entirely successful does not mean that changes cannot be made. It should not be an insurmountable problem for the county officials to become informed on the basic problems of land use, and land concentrated in the hands of the county is easier to control than if owned by the various townships.

County officials probably could be induced to take over more delinquent land; indeed, only a slight modification of the present tax laws would make it mandatory for them to do so. If the statute demanded the taking of tax deed by the county at the end of four years, or some other period, the "public domains" would be built up together and their administration controlled by relatively few people.

As will be seen from tables in the Appendix, many counties have become reasonably successful at leasing operations and the collection of rents. A low cash rent appears most feasible and, collected in advance, is a sure source of revenue. As to land sold into private hands, there is a vital need for some restrictive use clause being incorporated in the contract for deed, and later in the deed, as a possible control device. Some system of leasing and re-leasing, with restrictive use clauses incorporated in the legal instruments and handled through state or federal agencies, seems not out of the question.

Recently the county has been granted the necessary legal authority to hire a land agent to supervise the tax title land. The statute relating thereto reads as follows:

> The board of county commissioners of any county in this state which has an area of 250,000 acres or more in which 5 per cent or more of the taxable land of said county has been acquired or which is subject to acquisition by the county, through the foreclosure of school loan mortgage or through tax deed proceedings or other source, except lands owned and held by the county for public use, may in their discretion and whenever they deem it in the best interest of the county, employ any necessary agent or agents to expedite the rental and sale of real property acquired by the county and to assist the county treasurer in instituting tax deed proceedings against property upon which the county holds or may hereafter acquire tax sale certificates.[54]

The law permits the commissioners to delegate authority to the agent to make contracts on behalf of the county for the leasing of these lands. Likewise, the agent may assist the treasurer in the tax deed procedure and in the sale of the property acquired by the county. Clerical help and office space are to be provided by the commissioners.

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54. Chapter 87, Session Laws, South Dakota, 1937.

Provided some of the larger range counties do not attempt to go into the farm or ranch business on a share basis, a single land agent can take care of the manifold tasks arising out of public ownership. This commissioner-agent control of the land may be far from satisfactory and changes in land policies may be needed urgently, but the existing system does present definite control possibilities without the necessity of shifting the land to other jurisdictions and different officials.

The outstanding weakness of county control at present lies in the land policy of the commissioners and the land agent, who seem motivated by one dominating idea: to sell the land into private hands and to list it again upon the tax books. It is by no means certain that this land should be sold to private individuals, especially for farming purposes. Considering future social welfare, it would seem that the solution of land use problems by education of the land agents and the commissioners presents definitely fewer difficulties than any other plan.

Appendix Tables

The following Appendix tables show the contrast which exists between the public finances of the various tax-levying jurisdictions east and west of the Missouri River. The data involve a period of sufficient length so that their evidence on the finance and land use problems of South Dakota can be considered fairly conclusive.

TABLE 8.—Comparison of Taxes Levied Two Years Before with Rentals Received Two Years After Taking of Tax Deed, Corson County, 1935

No. of Farm	Acreage	Date County Took Deed	Amount of Two Previous Years of Tax Delinquency: First Year	Second Year	Amount of the First Two Years of Rental: First Year	Second Year
1	160	7-5-32	$19.71	$22.57	$48.00	$16.00
2	160	3-2-32	30.47	39.13	16.00	16.00
3	160	1-10-30	99.41	64.66	32.00	32.00
4	160	8-2-32	65.68	69.89	16.00	16.00
5	160	3-2-32	43.40	56.60	16.00	16.00
6	160	1-2-32	64.78	115.46	20.00	30.00
7	320	1-2-32	52.58	63.54	32.00	32.00
8	160	7-20-28	35.60	33.06	16.00	16.00
9	160	2-1-32	20.42	27.00	16.00	16.00
10	160	1-2-32	16.91	26.74	16.00	16.00
11	160	4-4-32	20.29	28.50	16.00	16.00
12	160	3-2-32	28.50	60.29	16.00	16.00
13	160	10-4-32	48.56	54.26	16.00	16.00
14	160	3-2-32	29.61	32.90	14.20	23.20
15	160	3-2-32	38.97	45.16	11.00	11.00
16	160	3-22-32	18.91	22.91	48.00	16.00
17	160	2-5-34	24.13	32.28	19.20	16.00
18	160	3-2-32	23.40	36.58	9.00	16.00
19	90	1-2-32	15.54	19.75	9.00	9.00
20	160	4-18-30	41.90	45.10	16.00	16.00
21	160	10-3-31	39.47	46.91	19.00	19.00
22	160	1-2-32	23.67	33.86	16.00	16.00
23	160	12-3-31	23.67	35.63	16.00	16.00
24	160	10-4-32	25.52	37.88	16.00	16.00
25	160	1-2-32	28.02	33.57	16.00	16.00
26	160	12-3-31	30.52	33.09	18.67	16.00
27	160	4-4-32	26.16	28.35	11.00	36.00
28	160	11-5-31	15.26	18.90	16.00	16.00
29	160	7-20-28	57.21	65.72	16.00	16.00
30	160	10-4-32	40.70	42.67	16.00	16.00

TABLE 9.—Financial History of the School Loan Foreclosure Land in Corson County, 1935

No. of Farms	Acreage	Period of Delinquency Yrs.	Period of Delinquency Mos.	Amount of Delinquent Taxes	Accumulated Penalty & Interest	Permanent School Fund Loans	Interest on Loans	Cost of Acquiring Land	Total Encumbrance	Date County Took Deed	Last Tax Levied	Average Yearly Rent	Average Rent per Acre	Total Rent Rec'd.	Received from Sales	Total Amount Rec'd.	Net Loss to County
1	320	6	11	$740.72	$304.40	$2,350.00	$1,096.75	$65.55	$4,557.52	3-23-32	$90.80						$4,557.52
2	160	4	1	290.20	64.99	500.00	137.50	57.74	1,050.43	6-1-32	40.20						1,050.43
3	160	6	11	597.22	253.92	1,000.00	200.00	58.65	2,109.79	4-10-30	99.41	$25.60	$ .16	$128.00	$55.00	$183.00	1,926.79
4	160	6	3	549.80	209.31	1,000.00	375.00	61.00	2,195.11	7-21-28	68.03	16.00	.10	180.00		180.00	2,015.11
5	160	8	0	607.50	314.26	1,000.00	250.00	63.90	2,235.66	5-3-30	61.58	37.60	.31	188.00		188.00	2,047.66
6	160	8	3	322.43	140.28	800.00	260.00	66.00	1,588.71	7-20-28	35.60	16.00	.10	32.00	10.00	42.00	1,546.71
7	320	2	7	216.81	32.61	1,500.00	412.50	61.90	2,223.82	11-28-28	54.33	39.67	.124	119.00		119.00	2,104.82
8	160	11	10	782.91	549.71	800.00	100.00	59.24	2,291.86	3-6-33	91.78	39.33	.246	118.00		118.00	2,173.86
9	160	6	0	261.84	103.37	1,000.00	125.00	63.90	1,554.11	5-2-30	32.47	16.00	.10	48.00		48.00	1,506.11
10	160	3	11	119.15	29.28	500.00	137.50	52.48	838.41	3-22-32	18.91	32.00	.20	64.00		64.00	774.41
11	160	2	8	75.56	9.14	900.00		.70	985.40	1-13-34	15.43						985.40
12	160	2	8	75.55	9.14	900.00		.70	985.39	1-13-34	15.43						985.39
13	566.6	7	3	1,047.51	415.73	2,000.00	800.00	68.15	4,331.39	7-20-28	121.45	53.75	.094	268.73		268.73	4,062.66
14	320	7	10	494.75	211.51	1,200.00	270.00	57.80	2,234.06	3-13-33	47.48	32.00	.10	64.00		64.00	2,170.06
15	160	3	11	220.26	51.13	600.00	150.00	62.86	1,084.25	3-29-32	39.47	21.33	.133	64.00		64.00	1,020.25
16	160	3	0	168.34	30.10	500.00	100.00	58.90	857.34	4-18-30	41.90	16.00	.10	80.00		80.00	777.34
17	160	5	1	297.57	97.04	800.00	220.00	60.34	1,474.95	6-8-33	29.24	24.00	.15	72.00		72.00	1,402.95
18	160	8	11	397.83	215.17	800.00	160.00	58.65	1,631.65	4-10-30	37.97	16.00	.10	16.00		16.00	1,615.65
19	160	4	0	195.32	35.62	800.00	154.70	1.50	1,187.14	4-23-34	28.74						1,187.14
20	320	3	0	373.74	62.77	1,400.00	560.00	66.27	2,462.78	4-27-31	100.28	61.67	.192	185.00		185.00	2,277.78
21	160	7	3	304.38	129.02	500.00	175.00	56.40	1,164.80	7-20-28	35.13	16.00	.10	48.00		48.00	1,116.80
22	320	4	10	487.72	115.75	1,000.00	400.00	66.72	2,070.19	3-13-31	84.45	48.00	.15	240.00	125.00	365.00	1,705.19
23	320	7	1	354.16	175.46	900.00	202.50	60.08	1,692.20	6-8-33	24.31	16.00	.05	32.00		32.00	1,660.20
24	160	5	3	513.59	130.24	800.00	200.00	58.65	1,702.48	7-20-28	57.21	16.00	.10	32.00		32.00	1,670.48
25	800	2	11	865.79	102.55	3,000.00	706.25	60.86	4,735.45	3-22-32	173.90	121.00	.151	363.00		363.00	4,372.45
26	320	3	11	320.76	58.12	1,400.00	350.00	68.44	2,197.32	3-22-32	77.52	28.00	.087	84.00		84.00	2,113.32
27	320	5	7	512.18	146.23	1,200.00	510.00	64.15	2,432.56	11-28-28	76.29	25.33	.079	76.00		76.00	2,356.56
28	160	3	10	296.39	69.34	800.00	220.00	59.56	1,445.29	3-6-33	46.46	16.00	.10	16.00		16.00	1,429.29
29	160	3	10	317.40	75.57	800.00	160.00	63.72	1,416.69	3-13-33	47.24	16.00	.10	16.00		16.00	1,400.69
30	160	3	3	264.16	42.28	1,000.00	325.00	64.90	1,696.34	7-20-28	61.07	30.57	.191	214.00		214.00	1,482.34
31	160	4	1	288.46	68.36	1,000.00	200.00	62.16	1,618.98	6-8-33	45.57	25.17	.157	75.50		75.50	1,543.48
32	160	3	3	264.22	43.53	1,000.00	250.00	64.40	1,622.15	7-20-28	55.00	32.57	.203	228.00		228.00	1,394.15
33	160	3	8	123.28	34.42	800.00	140.00	61.58	1,159.28	1-11-34	25.24	16.00	.10	32.00		32.00	1,127.28
34	160	4	0	196.69	55.43	800.00	160.00	63.90	1,276.02	4-18-30	29.94	24.33	.152	146.00		146.00	1,130.02
35	160	6	10	405.06	152.04	600.00	165.00	30.43	1,352.53	3-6-33	49.81	16.00	.10	16.00	350.00	366.00	986.53
36	160	6	10	308.59	130.89	600.00	165.00	30.43	1,234.91	3-6-33	30.99	16.00	.10	16.00	350.00	366.00	868.91
37	400	4	1	469.57	87.65	1,000.00	200.00	57.22	1,814.44	6-1-32	74.00				268.75	268.75	1,545.69
38	160	3	11	312.36	72.77	1,000.00	225.00	58.65	1,668.78	4-10-30	60.32	71.30	.445	285.20	162.40	447.60	1,221.18
39	160	4	3	455.28	75.00	900.00	315.00	64.90	1,810.18	7-20-28		67.50	.421	135.00	490.00	625.00	1,185.18
40	160	5	1	426.69	136.31	800.00	220.00	62.54	1,645.54	6-1-32	47.84	16.00	.10	16.00	117.12	133.12	1,512.42
41	480	4	3	1,094.27	300.00	2,200.00	520.00	127.80	4,242.07	7-20-28		34.22	.071	68.44	2,500.00	2,568.44	1,673.63
42	160	4	3	308.03	57.83	800.00	260.00	64.40	1,490.26	7-20-28	36.81	50.00	.312	50.00	180.00	230.00	1,260.26
43	160	3	2	115.29	22.06	400.00	70.00	53.78	661.13	7-10-33	23.83				250.00	250.00	411.13
44	320	2	10	427.20	71.14	1,800.00	450.00	56.20	2,804.54	3-13-33	86.08	16.00	.05	16.00	800.00	816.00	1,988.54
45	160	4	1	309.92	77.33	666.66	116.67	20.98	1,191.56	6-8-33	52.25						1,191.56
46	160	4	1	229.50	57.26	666.67	116.67	20.98	1,091.08	6-8-33	38.64	16.00	.10	48.00		48.00	1,043.08

TABLE 9.—(Continued)

No. of Farms		Acreage	Period of Delinquency Yrs.	Period of Delinquency Mos.	Amount of Delinquent Taxes	Accumulated Penalty & Interest	Permanent School Fund Loans	Interest on Loans	Cost of Acquiring Land	Total Encumbrance	Date County Took Deed	Last Tax Levied	Average Yearly Rent	Average Rent per Acre	Total Rent Rec'd.	Received from Sales	Total Amount Rec'd.	Net Loss to County
47	---	160	4	1	$247.43	$67.53	$666.67	$116.66	$20.98	$1,119.27	6-8-33	$39.74	16.00	$ .10	$48.00		$48.00	$1,071.27
48	---	320	4	11	794.95	226.34	1,500.00	337.50	64.40	2,923.19	4-9-30	138.69	38.56	.12	192.80		192.80	2,730.39
49	---	160	4	11	319.92	78.32	800.00	220.00	67.00	1,485.24	3-29-32	55.90	16.00	.10	48.00		48.00	1,437.24
50	---	160	3	2	308.63	64.04	800.00	140.00	56.90	1,369.57	7-7-28	50.71	41.75	.261	167.00		167.00	1,202.57
51	---	160	5	3	373.94	97.09	800.00	200.00	56.40	1,527.43	7-20-28	57.41	43.71	.273	218.56		218.56	1,308.87
52	---	320	2	3	446.46	50.06	1,400.00	210.00	63.40	2,169.92	7-21-28	111.74	59.28	.185	237.12		237.12	1,932.80
53	---	320	5	3	769.86	190.09	2,000.00	500.00	61.40	3,521.35	7-20-28	133.14	52.28	.163	206.12		209.12	3,312.23
54	---	160	5	3	499.69	143.92	1,000.00	250.00	68.90	1,962.51	7-21-28	83.11	36.50	.228	219.00		219.00	1,743.51
55	---	320	6	10	995.88	316.63	1,800.00	585.00	54.80	3,752.31	3-6-33	133.37	32.00	.10	64.00		64.00	3,688.31
56	---	160	2	10	157.24	27.06	1,000.00	200.00	65.28	1,449.58	3-13-33	31.14	24.33	.152	73.00		73.00	1,376.58
57	---	160	3	0	268.05	35.69	800.00	240.00	63.32	1,407.06	5-11-31	69.62	27.33	.17	82.00		82.00	1,325.06
58	---	160	8	10	651.59	285.38	800.00	500.00	59.50	2,296.47	3-13-31	101.05	17.87	.111	71.50		71.50	2,224.97
59	---	160	5	3	290.31	80.94	700.00	192.50	56.40	1,320.15	7-20-28	55.41				7.00	7.00	1,313.15
60	---	160	4	0	343.56	70.63	800.00	160.00	53.65	1,427.84	4-17-30	79.12	46.50	.29	232.50		232.50	1,195.34
61	---	160	2	10	174.39	29.73	1,000.00	200.00	65.28	1,469.40	3-13-33	33.31	16.00	.10	32.00		32.00	1,437.40
62	---	160	5	3	323.91	94.34	800.00	200.00	55.25	1,473.50	7-20-28	46.17	14.98	.093	74.90		74.90	1,398.60
63	---	160	3	11	241.77	55.47	500.00	112.50	59.40	969.14	4-9-30	55.85	16.00	.10	48.00		48.00	921.14
64	---	320	3	10	396.56	76.52	1,300.00	272.30	58.52	2,103.90	3-13-33	69.46	32.50	.101	65.00		65.00	2,038.90
65	---	160	2	11	157.08	27.95	800.00	200.00	58.26	1,243.29	4-1-32	36.42	16.00	.10	32.00		32.00	1,211.29
66	---	160	2	10	104.91	21.95	900.00	208.25	58.26	1,293.37	3-6-33	32.79	16.00	.10	32.00		32.00	1,261.37
67	---	160	3	1	207.55	23.78	800.00	400.00	60.86	1,492.19	6-1-32	47.15	16.00	.10	16.00		16.00	1,476.19
68	---	160	6	1	285.35	108.07	800.00	220.00	59.82	1,473.24	6-8-33	30.66	25.26	.158	75.80		75.80	1,397.44
69	---	160	5	1	488.56	158.47	1,000.00	225.00	60.08	1,932.11	6-8-33	64.26	16.00	.10	32.00		32.00	1,900.11
70	---	160	5	1	404.92	132.72	1,000.00	225.00	65.80	1,828.44	6-8-33	52.94	16.00	.10	16.00		16.00	1,812.44
71	---	230.5	4	3	452.85	104.67	1,250.00	312.50	61.90	2,181.92	7-20-28	70.70	38.03	.125	228.20		228.20	1,953.72
72	---	160	5	3	490.08	145.64	1,000.00	250.00	66.80	1,952.52	7-20-28	72.27	49.67	.31	298.00		298.00	1,654.52
73	---	160	3	10	283.41	61.68	800.00	280.00	59.50	1,484.59	3-7-33	52.34						1,484.59
74	---	160	3	10	229.69	47.43	800.00	280.00	63.13	1,420.25	3-7-33	47.36	36.00	.225	108.00		108.00	1,312.25
75	---	160	3	10	283.41	61.68	800.00	280.00	59.55	1,484.64	3-7-33	52.34	36.00	.225	108.00		108.00	1,376.64
76	---	39.4	2	10	51.08	8.10	300.00	60.00	57.42	476.60	3-13-33	11.02	3.95	.10	11.85		11.85	464.75

Summary Data For Corson County School Loan Foreclosure Land

Total number of acres of school loan foreclosure land ---------- 15,957
Average number of acres per farm ---------- 210
Average period of delinquency ---------- 4 years, 1 month
Total amount of delinquent taxes ---------- $28,848.98
Average amount of delinquency per farm ---------- $379.59
Total amount of accumulated penalty and interest ---------- $8,517.98
Average amount of accumulated penalty and interest per farm ---- $112.08
Total amount of permanent school fund loans ---------- $75,500.00
Average amount of permanent school fund loans, per farm ------ $993.42
Total amount of interest on permanent school fund loans ------ $19,908.25
Average amount of interest on permanent school fund loans per farm $261.95
Total costs of acquiring the land ---------- $4,352.32
Average cost of acquiring land, per farm ---------- $57.27

Total amount of encumbrances ---------- $137,127.53
Average amount of encumbrance per farm ---------- $1,804.31
Average tax levied per farm ---------- $58.45
Average amount of yearly rent per farm ---------- $30.02
Average amount of rent per acre ----------$ .15
Total amount of rent received by the county ---------- $6,920.22
Average amount of rent per farm received by the county ------- $104.85
Total amount received by the county from the sale of property-- $5,665.27
Average amount of receipts from the sale of property ---------- $404.66
Total receipts ---------- $12,585.49
Average receipts per farm ---------- $182.40
Total net loss to the county ---------- $124,542.04
Average net loss per farm to the county ---------- $1,638.71

TABLE 10.—Financial History of the Tax Deed Land in Corson County, 1935

No. of Farm	Acreage	Period of Delinquency Yrs.	Period of Delinquency Mos.	Amt. of Delinquent Taxes	Accumulated Penalty & Interest	Cost of Acquiring Land	Total Tax Encumbrance	Date County Took Deed	Last Tax Levied	Average Yearly Rent	Average Rent per Acre	Total Rent Rec'd	Receipts from Sales	Total Receipts	Net Loss to County
1 ------	160	9	2	$426.45	$227.71	$30.95	$685.11	7-5-32	$19.71	*		$64.00		$64.00	$621.11
2 ------	160	10	2	347.71	216.89	30.95	595.55	7-5-32	18.08	$16.00	.10	48.00		48.00	547.55
3 ------	160	10	3	569.36	354.78	35.80	959.94	8-2-32	22.80						959.94
4 ------	160	5	2	199.31	61.66	51.60	312.57	7-5-32	19.55						312.57
5 ------	240	4	8	303.83	91.27	14.15	409.25	1-2-32	35.85			123.25	$301.00	424.25	15.00†
6 ------	80	5	8	115.40	37.51	26.75	179.66	1-2-32	7.44	7.94	.10	31.75		31.75	147.91
7 ------	160	6	8	198.81	94.10	13.80	306.71	12-30-33	8.84						306.71
8 ------	160	6	8	204.44	95.82	13.80	314.06	12-30-33	10.55						314.06
9 ------	160	6	8	210.04	94.77	13.80	318.61	12-30-33	12.28						318.61
10 ------	160	8	8	245.46	129.82	21.26	396.54	1-12-34	11.01						396.54
11 ------	160	10	9	655.89	465.62	22.23	1,143.74	1-17-34	34.06						1,143.74
12 ------	160	3	2	247.22	40.25	23.95	311.42	6-23-32	44.53						311.42
13 ------	160	8	7	445.78	245.76	36.80	728.34	12-13-33	27.65	16.00		16.00		16.00	712.34
14 ------	160	9	10	514.21	335.35	22.56	872.12	3-2-32	30.47	16.00	.10	32.00		32.00	840.12
15 ------	160	8	10	353.72	185.14	22.56	561.42	3-2-32	29.39						561.42
16 ------	160	5	0	162.44	43.17	13.06	218.67	4-25-35	25.17	16.00	.10	16.00		16.00	202.67
17 ------	160	5	0	166.92	44.45	13.06	224.43	4-25-35	25.17	16.00	.10	16.00		16.00	208.43
18 ------	160	5	1	296.33	84.24	23.95	404.52	6-7-32	30.84	16.00	.10	16.00		16.00	388.52
19 ------	160	8	10	522.24	299.75	22.31	844.30	3-2-32	34.82						844.30
20 ------	160	5	10	286.96	97.81	13.10	397.87	3-2-32	33.74	16.00	.10	32.00		32.00	365.87
21 ------	160	4	11	269.28	75.44	22.47	367.19	4-4-32	43.30						367.19
22 ------	160	10	11	447.78	266.03	22.72	736.53	4-4-32	43.30						736.53
23 ------	160	4	10	332.29	88.88	23.70	444.87	3-2-32	58.23						444.87
24 ------	160	9	11	715.24	437.62	23.29	1,176.15	4-4-32	66.59						1,176.15
25 ------	160	6	1	566.76	197.67	48.10	812.53	6-7-32	59.41						812.53
26 ------	160	6	1	441.38	141.93	48.10	631.41	6-7-32	50.50	16.00	.10	16.00		16.00	615.41
27 ------	160	6	1	516.66	153.66	48.10	718.42	6-7-32	67.00	16.00	.10	16.00		16.00	702.42
28 ------	160	4	5	373.07	94.13	8.35	475.55	9-23-33	45.70						475.55
29 ------	160	4	7	446.80	118.70	12.85	578.35	11-28-33	56.05	16.00	.10	16.00		16.00	562.35
30 ------	160	4	5	454.97	110.96	8.35	574.28	9-23-33	56.58						574.28
31 ------	160	9	3	753.09	376.97	43.60	1,173.66	8-2-32	65.68	16.00	.10	32.00		32.00	1,141.66
32 ------	160	6	1	487.03	139.99	29.75	656.77	6-7-32	62.71	16.00	.10	48.00		48.00	608.77
33 ------	160	8	11	478.98	252.36	35.35	766.69	4-4-32	49.59						766.69
34 ------	160	11	2	698.45	417.54	24.20	1,140.19	7-5-32	53.96						1,140.19
‡403 ------	160	13	8	1,184.65	1,109.68	9.10	2,303.43	12-27-33	34.72						2,303.43
404 ------	160	6	6	468.59	194.02	26.45	689.06	11-5-31	35.78	16.00	.10	64.00		64.00	625.06
405 ------	160	5	4	515.83	140.77	23.10	679.70	9-8-31	44.03	13.00	.081	26.00		26.00	653.70
406 ------	160	7	4	350.08	174.33	24.35	548.76	9-6-32	26.85						548.76
407 ------	160	11	1	792.73	510.04	29.26	1,332.03	5-28-32	49.72	13.08	.081	39.25		39.25	1,292.78
408 ------	160	11	1	794.78	523.40	28.63	1,346.81	5-28-32	45.01	13.08	.081	39.25		39.25	1,307.56
409 ------	160	6	11	505.06	199.97	35.35	740.38	4-4-32	45.41	16.00	.10	32.00		32.00	708.38

Summary Data for Corson County

Total delinquent acreage ---------------------------------- 62,771.34
Average number of acres per farm ---------------------------- 153.48
Average period of delinquency --------------- 7.02 years, 6.63 months
Total amount of delinquent taxes -------------------------- $191,156.99
Average amount of delinquency per farm ---------------------$467.38

Total amount of tax encumbrances ---------------------$230,901.80
Average amount of tax encumbrances per farm -------------- $564.55
Total net loss to county ------------------------------------ $207,673.34
Average net loss to county, per farm ------------------------ $507.76
Ratio of average tax per acre to the average rent per acre --- 2.25 to 1

* Absence of rental figure indicates that farm is not now rented.
† Net gain.
‡ This table is a condensation of data on 409 farms.

TABLE 11.—Financial History of the Tax Deed Land in Mellette County, 1935*

No. of Farm	Acreage	Period of Delinquency Yrs.	Period of Delinquency Months	Total Amt. of Delinquent Taxes	Accumulated Penalty & Interest	Total Tax Encumbrance	Date County Took Deed	Last Tax Levied	Average Yearly Rent	Average Rent per Acre	Total Rent Received	Receipts from Sales	Total Receipts	Net Loss to County
1	160	4	4	$404.28	$ 99.38	$503.66	8-19-30	$42.92	$23.00	.143	$115.00		$115.00	$388.66
2	160	3	9	274.39	57.38	331.77	2-2-31	40.98	7.08	.044	35.41		35.41	296.36
3	70.1	2	4	110.41	13.62	124.03	8-19-30	17.56	3.26	.046	13.16		13.16	110.87
4	160	2	0	192.62	20.06	212.68	4-22-30	39.94						212.68
5	160	3	4	354.73	61.44	416.17	8-19-30	46.83	16.00	.10	32.00		32.00	384.17
6	160	6	7	782.84	181.69	964.53	11-24-30	46.83	14.25	.089	57.00		57.00	907.53
7	160	5	1	289.82	100.08	389.90	5-29-35	28.31						389.90
8	80	4	10	336.50	113.58	450.08	3-3-31	67.59	16.00	.20	16.00		16.00	434.08
9	160	6	0	243.55	121.30	364.85	4-23-35	32.70	12.80	.08	12.80		12.80	352.05
10	160	8	4	712.18	333.91	1,046.09	8-19-30	57.48	11.05	.069	55.16		55.16	990.93
11	160	5	4	427.01	122.72	549.73	8-19-30	51.77	18.00	.112	72.00		72.00	477.73
12	160	5	11	269.67	112.05	381.72	4-20-35	21.19						381.72
13	160	8	0	317.84	177.72	495.56	4-20-35	15.29	10.00	.062	10.00		10.00	485.56
14	160	8	2	489.76	267.26	757.02	7-10-30	30.11	13.50	.084	81.00		81.00	676.02
15	160	7	2	303.68	106.45	410.13	7-10-30	28.83	10.00	.062	40.00		40.00	370.13
16	160	6	11	695.70	297.34	993.04	4-4-31	42.41	12.00	.075	48.00		48.00	945.04
17	80	7	8	187.44	77.49	264.93	1-12-31	13.79						264.93
18	160	4	0	162.37	37.83	200.20	4-23-35	24.63						200.20
19	160	5	0	300.80	105.66	406.46	4-23-35	28.00	12.80	.08	12.80		12.80	393.66
20	160	6	11	339.50	140.86	480.36	3-23-31	36.50	33.00	.206	66.00		66.00	414.36
21	160	3	11	467.86	76.99	544.85	3-23-31	149.85	16.00	.10	64.00		64.00	480.85
22	160	7	4	415.72	153.86	569.58	8-19-30	43.19	16.00	.10	16.00		16.00	553.58
23	160	8	7	478.12	222.61	700.73	11-24-30	43.14	16.25	.101	65.00		65.00	635.73
24	76.3	1	2	199.32	8.39	207.71	7-10-34	29.65	8.00	.103	16.00		16.00	191.71
25	160	8	8	318.42	119.64	438.06	1-13-31	22.03						438.06
26	159.3	7	9	431.04	160.95	591.99	1-16-31	29.14	16.00	.10	48.00	75.00	123.00	468.99
27	160	6	0	239.85	100.78	340.63	4-20-35	17.87						340.63
28	160	1	9	139.35	14.75	154.10	2-3-31	41.25						154.10
29	80	3	8	166.48	37.91	204.39	12-15-32	22.32						204.39
30	160	5	9	336.91	120.62	457.53	1-19-31	43.32						457.53
31	160	9	2	859.39	227.30	1,086.69	7-10-30	38.74	10.00	.062	10.00		10.00	1,076.69
32	160	6	2	232.25	77.93	310.18	7-10-30	15.50	8.00	.05	24.00		24.00	286.18
33	160	4	9	265.08	89.71	354.79	1-20-31	20.34	12.60	.079	63.00		63.00	291.79
34	160	4	2	216.97	48.72	265.69	7-10-30	27.12				125.00	125.00	140.69
35	141.9	7	9	568.96	304.54	873.50	1-20-31	142.00	14.00	.099	14.00		14.00	859.50
36	160	10	0	717.04	382.04	1,099.08	4-20-35	32.78						1,099.08
37	160	9	2	443.57	220.05	663.62	7-10-30	33.13	10.00	.062	10.00		10.00	653.62
38	119	5	11	330.74	150.86	481.60	4-22-35	23.74						481.60
39	160	4	6	310.95	77.71	388.66	10-19-30	45.15	9.33	.058	28.00		28.00	360.66

Summary Data for Tax Deed Land in Mellette County

Average net loss to the county per farm $468.00
Average number of acres per farm $147.86
Average period of delinquency .... 5.41 years, 6.31 months
Average period of delinquency per farm $367.52
Average tax encumbrance per farm $499.39
Ratio of average tax per acre to the average rent per acre .... 3.23 to 1

* Farms analyzed here were chosen at random.

TABLE 12.—Financial History of the Tax Deed Land in Ziebach County, 1935*

No. of Farm	Acre-age	Period of Delinquency Yrs.	Months	Total Amt. of Delinquent Taxes	Accumulated Penalty & Interest	Total Tax Encumbrance	Date County Took Deed	Last Tax Levied	Average Yearly Rent	Average Rent per Acre	Total Rent Received	Receipts from Sales	Total Receipts	Net Loss to County
1	160	3	10	$283.47	$ 40.62	$324.09	3-1-31	$46.00	$12.80	.08	$25.60		$25.60	$298.49
2	160	3	9	365.84	66.57	432.41	1-20-31	8.19	14.40	.09	28.80		28.80	403.61
3	160	5	8	208.10	79.86	287.96	12-19-32	43.85						287.96
4	160	5	4	291.96	82.71	374.67	9-8-32	45.60						374.67
5	160	5	7	324.98	111.86	436.84	1-3-33	39.27	15.75	.098	63.00		63.00	373.84
6	160	3	5	306.68	58.54	365.22	10-8-30	44.93	16.80	.105	67.20		67.20	298.02
7	160	3	4	181.52	28.88	210.40	9-8-32	35.59	13.87	.086	41.60		41.60	168.80
8	160	4	10	577.43	184.54	761.97	3-2-32	51.79	12.80	.08	25.60		25.60	736.37
9	80	5	1	333.51	112.58	446.09	6-1-32	31.58						446.09
10	160	3	4	276.45	39.26	315.71	9-9-31	46.22	12.80	.08	64.00		64.00	251.71
11	160	6	1	219.79	94.02	313.81	6-3-33	48.55	16.40	.102	32.80		32.80	281.01
12	160	4	10	547.31	221.02	768.33	3-1-32	46.22	13.58	.085	54.30		54.30	714.03
13	160	5	1	223.21	74.17	297.38	6-3-32	49.54	14.78	.092	29.57		29.57	267.81
14	80	4	1	133.93	24.18	158.11	6-2-31	20.64	5.78	.072	11.27		11.27	146.84
15	160	5	4	586.38	74.47	660.85	9-1-32	42.28	12.80	.08	25.60		25.60	635.25
16	160	2	4	152.75	12.93	165.68	9-1-31	29.68	12.80	.08	25.60		25.60	140.08
17	160	3	10	216.13	29.85	245.98	3-1-31	32.45						245.98
18	240	8	1	251.52	159.66	411.18	6-7-35	29.69	25.60	1.06	51.20		51.20	359.98
19	160	4	1	543.25	141.63	648.88	6-2-31	50.80	12.87	.08	38.60		38.60	646.28
20	160	4	6	671.26	242.34	913.60	11-6-31	49.43	12.49	.078	24.99		24.99	888.61
21	160	3	10	971.34	264.48	1,235.82	3-1-31	53.04	41.39	.258	124.19		124.19	1,111.63
22	160	4	1	267.03	51.88	318.91	6-2-34	54.39	11.03	.069	33.10		33.10	285.81
23	160	3	10	469.12	160.61	629.73	3-1-31	34.56	21.95	.137	87.80		87.80	541.93
24	80	4	2	391.70	112.59	504.29	7-3-31	37.97	12.27	.076	36.80		36.80	467.49
25	160	3	10	391.32	127.11	518.43	3-1-31	37.09	13.72	.086	41.16		41.16	477.27
26	160	4	6	394.09	46.03	440.12	10-18-31	35.71						440.12
27	160	3	10	368.77	116.57	485.34	3-1-31	35.71						485.34
28	160	3	11	382.90	93.42	476.32	4-6-31	54.70	12.80	.08	51.20		51.20	425.12
29	160	4	10	706.75	253.11	959.86	3-2-32	71.54	16.31	.102	65.25		65.25	894.61
30	160	3	8	773.19	269.81	1,043.00	1-5-31	46.54	13.87	.086	41.60		41.60	1,001.40
31	160	4	10	399.01	112.88	511.89	3-1-32	38.86	13.87	.86	41.60		41.60	470.29
32	160	4	4	384.40	111.29	495.69	8-29-31	38.86	24.27	.151	72.80		72.80	422.89
33	160	2	10	298.36	60.86	359.22	5-19-32	51.39	21.33	.133	64.00		64.00	295.22
34	160	4	10	515.63	210.32	725.95	3-3-31	50.57						725.95
35	160	3	4	217.76	33.70	251.46	8-20-32	46.95	10.67	.066	32.00		32.00	219.46
36	160	3	4	293.38	50.87	344.25	8-20-32	46.90	15.13	.094	60.54		60.54	283.71
37	160	5	9	476.50	232.35	708.85	1-19-33	37.93						708.85
38	160	3	8	215.71	62.96	278.67	1-7-31	20.15	8.75	.055	35.00		35.00	243.67
39	320	6	1	253.16	117.03	370.19	6-7-35	59.38						370.19

Summary Data for Tax Deed Land in Ziebach County

Average number of acres per farm	160
Average period of delinquency	4 years, 4.9 months
Average amount of delinquent taxes per farm	$381.17
Average amount of penalty and interest per farm	$104.30
Average amount of total tax encumbrance per farm	$492.23
Average amount of last tax levied per farm	$42.17
Average amount of yearly rent per farm	$15.46
Average amount of rent per acre	$ .093
Average amount of total rent per farm received by the county	$46.56
Average net loss per farm to the county	$457.34

* Farms analyzed here were chosen at random.

TABLE 13.—Total Indebtedness of All Local Jurisdictions in Selected Counties, 1934*

Counties	County Indebtedness	Township Indebtedness	School District Indebtedness	Town and City Indebtedness	Total Net Indebtedness
Western:					
Bennett	$183,919.57	--	$ 77,220.19	$ 700.00	$ 261,839.76
Butte	501,963.11	$9,314.20	487,531.78	258,261.53	1,257,070.62
Custer	47,004.75	--	50,405.70	72,181.96	169,592.41
Dewey	285,359.00	853.53	466,593.54	105,052.10	857,858.17
Fall River	412,734.00	3,921.54	290,342.51	223,604.09	706,998.05
Gregory	124,809.98	--	564,176.57	--	688,986.55
Haakon	94,242.13	187.70	57,020.24	42,500.00	151,450.07
Jackson	185,738.94	4,867.50	114,042.66	91,708.24	396,357.34
Jones	5,917.03	15,752.87	125,112.84	50,108.89	196,891.63
Lyman	102,222.43	3,644.58	159,465.50	5,905.21	271,237.72
Meade	169,088.89	0	271,591.66	0	440,680.55
Mellette	341,598.48	9,463.89	158,989.21	5,161.22	515,212.80
Pennington	957,161.63	--	883,451.52	--	1,840,613.15
Perkins	705,853.18	30,076.20	198,962.73	80,631.05	1,015,523.16
Stanley	192,000.00	1,509.02	142,489.39	99,502.93	435,501.34
Tripp	229,459.00	4,677.65	362,123.91	235,716.45	831,977.01
Ziebach	143,658.84	1,079.00	244,602.15	2,585.60	391,925.59
Eastern:					
Aurora	$ 1,110.00	$ 3,391.89	$ 98,704.46	$ 41,605.31	$ 144,811.66
Beadle	113,571.96	1,736.13	468,077.83	492,203.76	1,075,589.68
Brookings	0	834.36	274,255.61	18,140.44	293,230.41
Brown	2,820.79	28,210.23	457,048.71	--	488,079.73
Clay	0	0	219,931.50	21,237.21	241,168.71
Davison	0	--	137,910.36	--	137,910.36
Grant	0	98.85	60,228.77	151,523.04	211,850.66
Hamlin	12,000.00	1,018.26	68,978.48	38,200.81	120,197.55
Hutchinson	0	2,019.00	211,719.07	85,173.26	298,911.33
Lake	0	3,945.32	598,643.47	239,764.03	842,352.82
Lincoln	0	13,474.05	200,414.48	149,995.83	363,884.36
Miner	0	600.00	105,318.65	4,539.35	110,458.00
Minnehaha	0	3,600.00	1,659,736.35	1,426,090.61	3,089,426.96
Moody	13,887.38	0	287,647.75	37,163.51	338,698.64
Turner	5,044.57	675.00	102,100.23	136,862.94	244,682.74
Union	8,901.46	0	119,992.12	107,524.93	236,418.51
Yankton	0	500.00	38,656.96	242,913.71	282,070.67

* Source: Division of Taxation reports, 1934.

TABLE 14.—Total and Per Capita Expenditures of Selected Eastern and Western Counties for Highways and Bridges, Protection, General Government, Social Welfare, Education, Poor Relief, Interest and Sinking Funds and Miscellaneous, 1919 to 1933*

	Highway and Bridges		Protection		General Govern't		Social Welfare	
County	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita
Eastern:								
Aurora	44,830	6.23	10,584	1.47	16,396	2.28	7,872	1.10
Beadle	156,444	7.40	32,817	1.53	41,290	1.93	42,447	1.93
Brookings	93,578	5.66	19,084	1.15	28,191	1.70	22,387	1.34
Brown	195,776	6.42	44,238	1.44	46,448	1.51	63,364	2.00
Clay	78,114	7.87	12,082	1.21	18,036	1.81	16,671	1.67
Davison	87,489	5.67	23,773	1.51	27,996	1.78	31,617	1.93
Grant	83,349	7.73	13,071	1.21	21,860	2.03	21,107	1.96
Hamlin	58,061	7.08	10,565	1.29	19,559	2.38	12,596	1.53
Hutchinson	115,570	8.43	12,167	.89	22,337	1.63	13,536	.98
Lake	63,029	5.11	13,983	1.13	24,091	1.95	20,774	1.68
Lincoln	131,558	9.46	15,684	1.13	21,563	1.55	21,449	1.54
Miner	62,008	7.34	9,824	1.16	18,050	2.14	16,697	1.99
Minnehaha	263,414	5.59	67,419	1.43	77,968	1.62	101,618	2.06
Moody	69,685	7.22	11,379	1.18	22,387	2.32	12,284	1.27
Turner	94,832	6.37	15,522	1.04	23,078	1.55	21,168	1.42
Union	106,820	9.43	13,093	1.15	21,563	1.90	24,138	2.13
Yankton	139,988	8.74	15,915	.99	33,748	2.10	22,593	1.39
Western:								
Bennett	18,661	6.30	7,618	2.26	11,410	3.49	1,558	.44
Butte	97,841	12.52	19,982	2.54	31,247	3.98	17,372	2.14
Corson	92,736	10.96	17,348	2.04	29,985	3.51	10,521	1.14
Custer	47,597	9.95	11,830	2.49	16,853	3.53	8,105	1.57
Dewey	50,080	8.82	11,923	2.11	20,596	3.59	4,504	.72
Fall River	78,783	9.79	21,500	2.69	34,388	4.28	13,873	1.68
Haakon	66,723	14.38	10,651	2.29	24,022	5.17	5,622	1.20
Jackson	40,392	15.83	7,870	3.07	18,589	7.26	3,578	1.38
Jones	28,884	9.33	8,082	2.60	14,592	4.71	4,357	1.39
Lyman	79,427	12.30	13,259	2.06	29,095	4.52	8,927	1.39
Meade	100,475	9.54	23,254	2.20	41,368	3.88	15,418	1.42
Mellette	31,469	7.00	11,224	2.47	15,608	3.38	2,839	.57
Pennington	148,728	8.87	37,196	2.24	70,014	4.31	27,359	1.47
Perkins	85,570	10.16	17,173	2.04	29,971	3.56	10,164	1.20
Stanley	39,349	15.08	13,846	5.29	19,785	7.63	5,495	2.18
Tripp	95,199	7.73	16,867	1.36	53,513	4.34	13,919	1.11
Ziebach	36,910	9.38	8,612	2.21	14,446	3.68	3,425	.87

	Education		Poor Relief		Interest and Sinking Funds		Miscellaneous	
	Total	Per Capita	Total	Per Capita	Total	Per Capita	Total	Per Capita
Eastern:								
Aurora	4,495	.63	5,005	.70	None	None	10,704	1.49
Beadle	10,796	.50	30,479	1.39	21,714	.98	52,485	2.54
Brookings	8,062	.49	18,122	1.08	5,998	.36	9,500	.58
Brown	13,343	.43	52,678	1.65	None	None	46,568	1.53
Clay	7,616	.77	9,302	.90	None	None	26,193	2.67
Davison	5,264	.34	25,641	1.57	138	.01	87,751	5.29
Grant	7,654	.71	16,290	1.51	3,587	.33	39,750	3.68
Hamlin	6,345	.77	7,832	.95	2,818	.34	21,645	2.63
Hutchinson	7,161	.52	10,624	.77	459	.03	14,431	1.06
Lake	7,587	.62	13,279	1.07	4,299	.35	13,835	1.12
Lincoln	9,120	.66	15,408	1.11	None	None	42,413	3.05
Miner	6,781	.80	7,962	.95	1,373	.16	14,969	1.77
Minnehaha	11,185	.24	75,800	1.55	None	None	57,555	1.23
Moody	4,950	.51	8,941	.93	3,853	.40	17,794	1.83
Turner	6,807	.46	15,454	1.04	1,950	.13	12,512	.84
Union	6,990	.62	17,186	1.52	None	None	10,197	.91
Yankton	7,336	.46	14,670	.90	None	None	11,290	.75
Western:								
Bennett	2,914	.81	1,279	.34	3,656	.75	11,226	3.14
Butte	8,802	1.12	13,937	1.71	18,618	2.20	39,728	4.83
Corson	6,897	.78	5,879	.65	13,242	1.34	10,961	1.38
Custer	3,999	.82	5,232	1.00	13,149	2.75	32,706	6.26
Dewey	4,937	.85	3,066	.50	9,977	1.52	22,906	4.18
Fall River	8,151	.99	8,910	1.08	16,269	1.88	20,285	2.73
Haakon	5,290	1.14	3,770	.81	1,575	.34	21,906	4.70
Jackson	2,889	1.13	2,500	.96	8,345	3.14	6,283	2.45
Jones	4,514	1.45	2,675	.85	703	.22	11,700	3.75
Lyman	6,154	.96	5,407	.84	7,513	1.19	14,982	2.33
Meade	8,083	.74	14,447	1.33	None	None	18,847	1.78
Mellette	3,210	.69	1,274	.26	1,269	.26	16,708	3.44
Pennington	9,125	.51	17,187	.93	35,153	1.80	53,776	3.50
Perkins	9,418	1.11	7,626	.85	5,767	.66	17,053	2.04
Stanley	5,688	2.23	3,018	1.20	5,044	2.19	12,407	4.37
Tripp	9,849	.79	9,458	.75	17,044	1.35	16,967	1.38
Ziebach	4,280	1.08	2,328	.59	10,037	2.50	10,877	2.83

* Figures taken from a study of South Dakota expenditures, based on the State Auditor's reports, and prepared by George Phillips, graduate student in South Dakota State College, with the assistance of the State Planning Board.

TABLE 15.—Total and Per Capita Expenditures, Stanley County, 1919 to 1933*

Year	General Government	Protection	Highways	Education	Social Welfare	Poor†	I. & S.	Miscellaneous	Totals
				Total Expenditures					
1919	$16,705	$13,291	$22,619	$1,947	$1,679	$1,279		$28,232	$84,472
1920	16,944	10,656	42,444	3,049	2,529	1,170		57,713	133,334
1921	18,716	16,831	83,840	4,778	4,621	1,922		19,522	148,309
1922	25,166	11,710	34,077	5,242	3,947	1,983		4,926	85,069
1923	28,016	24,640	29,101	7,378	5,143	3,137		5,171	99,449
1924	30,542	25,306	45,896	5,922	4,923	2,696		8,695	121,285
1925	17,483	14,975	42,570	6,084	5,835	3,670		15,886	102,833
1926	22,475	16,546	46,739	5,308	7,507	3,545		9,299	107,874
1927	16,400	17,230	44,256	5,724	7,510	4,548		13,393	104,513
1928	22,616	10,041	47,018	11,824	7,065	3,115		2,611	101,175
1929	15,802	9,133	34,319	8,374	6,022	3,545	$10,850	1,863	86,364
1930	19,731	9,461	58,883	7,601	6,385	3,106	10,850	1,578	114,489
1931	15,238	12,556	32,071	6,797	7,460	3,490	10,555	4,823	89,501
1932	17,595	8,816	19,049	3,089	5,239	3,608	21,975	3,702	79,466
1933	13,351	6,499	7,348	2,209	6,564	4,458	21,431	3,292	60,694
Average	**19,785**	**13,846**	**39,349**	**5,688**	**5,495**	**3,018**	**5,044**	**12,047**	**101,255**
				Per Capita Expenditures					
1919	$5.64	$4.49	$7.64	$ .66	$ .57	$ .43		$9.53	$28.53
1920	5.83	3.66	14.60	1.05	.87	.40		19.85	45.86
1921	6.56	5.90	29.37	1.67	1.62	.67		6.84	51.96
1922	8.98	4.18	12.16	1.87	1.41	.71		1.76	30.36
1923	10.19	8.96	10.58	2.68	1.87	1.14		1.88	36.16
1924	11.32	9.38	17.02	2.20	1.83	1.00		3.22	44.97
1925	6.61	5.66	16.10	2.30	2.21	1.39		6.01	38.89
1926	8.67	6.38	18.03	2.05	2.90	1.37		3.59	41.62
1927	6.46	6.79	17.43	2.25	2.96	1.79		5.27	41.16
1928	9.10	4.04	18.91	4.76	2.84	1.25		1.05	40.70
1929	6.49	3.75	14.10	3.44	2.47	1.46	$4.46	.77	35.48
1930	8.29	3.97	24.73	3.19	2.68	1.30	4.56	.66	48.08
1931	6.55	5.39	13.78	2.92	3.20	1.50	4.53	2.07	38.44
1932	7.73	3.87	8.37	1.36	2.30	1.59	9.66	1.63	34.92
1933	6.01	2.92	3.31	.99	2.95	2.01	9.64	1.48	27.30
Average	**7.63**	**5.29**	**15.08**	**2.23**	**2.18**	**1.20**	**2.19**	**4.37**	**38.97**

* From a study of state expenditures based on the reports of the state auditor, and prepared by George Phillips, graduate student at South Dakota State College, with the assistance of the State Planning Board.

† Not a separate class. Social Welfare also includes these figures.

TABLE 16.—Total and Per Capita Expenditures, Union County, 1919 to 1933*

Year	General Government	Protection	Highways	Education	Social Welfare	Poor†	Miscellaneous	Totals
				Total Expenditures				
1919	$14,501	$ 7,057	$84,737	$4,173	$12,414	$7,574	$ 5,925	$128,807
1920	13,742	8,938	71,587	4,412	13,364	13,364	14,558	126,600
1921	19,779	8,648	148,334	6,497	24,171	23,243	14,963	222,391
1922	13,563	10,240	78,193	2,885	47,967	38,535	26,823	179,669
1923	21,284	10,565	116,810	8,059	17,310	17,300	20,347	194,375
1924	18,559	11,580	137,393	7,583	18,846	11,575	21,205	215,165
1925	19,440	12,376	138,433	10,197	13,136	12,355	13,721	207,302
1926	21,289	15,266	103,897	8,721	21,958	14,328	6,049	177,180
1927	21,807	15,411	110,365	8,550	23,569	15,271	8,617	188,319
1928	28,092	17,490	144,283	14,808	27,347	15,527	5,412	237,432
1929	26,476	17,249	141,651	7,286	23,119	14,135	1,577	217,358
1930	27,654	15,741	110,706	6,895	24,085	12,648	4,103	189,183
1931	25,837	17,112	78,336	4,874	27,781	16,143	2,734	156,674
1932	28,645	14,448	83,273	5,494	31,072	21,553	5,052	167,984
1933	22,781	14,267	54,301	4,420	35,926	24,241	1,873	133,568
Average	**21,563**	**13,093**	**106,820**	**6,990**	**24,138**	**17,186**	**10,197**	**182,800**
				Per Capita Expenditures				
1919	$1.31	$ .64	$7.66	$ .38	$1.12	$ .68	$ .54	$11.65
1920	1.24	.81	6.45	.40	1.20	1.20	1.31	11.41
1921	1.78	.78	13.32	.58	2.17	2.09	1.34	19.97
1922	1.21	.92	7.00	.26	4.29	3.45	2.40	16.08
1923	1.90	.94	10.42	.72	1.54	1.54	1.81	17.33
1924	1.65	1.03	12.21	.67	1.68	1.03	1.88	19.12
1925	1.72	1.10	12.26	.90	1.16	1.09	1.22	18.36
1926	1.88	1.35	9.17	.77	1.94	1.26	.53	15.64
1927	1.92	1.36	9.71	.75	2.07	1.34	.76	16.57
1928	2.46	1.53	12.65	1.30	2.40	1.36	.48	20.82
1929	2.31	1.51	12.38	.64	2.02	1.24	.14	19.00
1930	2.41	1.37	9.64	.60	2.10	1.10	.36	16.48
1931	2.24	1.49	6.80	.42	2.41	1.40	.24	13.60
1932	2.48	1.25	7.20	.48	2.69	1.87	.44	14.54
1933	1.96	1.23	4.68	.38	3.10	2.09	.16	11.51
Average	**1.90**	**1.15**	**9.43**	**.62**	**2.13**	**1.52**	**.91**	**16.14**

* From a study of state expenditures based on the reports of the state auditor, and prepared by George Phillips, graduate student at South Dakota State College, with the assistance of the State Planning Board.

† Not a separate class. Social Welfare also includes these figures.

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