

# Davis, Kassin Present Preview Of Upcoming Legislative Session



Lawmakers Speak At Vermillion Rotary Club

By Sarah Wetzel For the Plain Talk, January 16, 2026

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Two of the three South Dakota District 17 legislators appeared before the Vermillion Rotary Club last week to give a preview of the 2026 South Dakota Legislative session.

District 17 Rep. Chris Kassin of Vermillion, who serves on the Appropriations Committee, foresees a very interesting year for his committee.

“Several of the proposals coming before us have to do with basically some way of changing our appropriations policies regarding how we deal with property taxes,” he said.

District 17 Sen. Sydney Davis of Burbank, who serves on the Health and Human Services Committee as well as the Ag and Natural Resources Committee and also Senate Taxation, agrees that property taxes will again be a hot topic.

“We know there’s been a lot of discussion about property taxes statewide and we anticipate that to continue on the state level,” she said.

Davis is also looking forward to hearing about the large amount of funds the state will be receiving from the federal government for the rural transformation health dollars.

“That money is intended to go to programming,” she said. “It’s a five-year grant period, a lot of strings attached, a lot of stipulations in place with a goal of creating sustainable programming for rural healthcare systems, healthcare states.”

Davis stated how she is looking forward to the discussion on how to handle the unique challenges of healthcare in a rural state, having a background in healthcare herself.

“The legislature needs to authorize the spending of those grant dollars,” she said. “I think we’ll be hearing that very early on in session.”



Sydney Davis  
Jase Dewald



Chris Kassin  
Courtesy Photo

Kassin referenced the governor’s recent budget address in the first week of December saying this is going to be a very tight budget year with very little wiggle room.

“The governor recommended a larger percentage than what’s generally put into our state revenue,” he said. “So, depending on how that is contemplated by the legislature will determine how much one time dollars there could be. I believe he recommended 12% be put into budget reserves instead of the customary 10%.”

Kassin believes this could be the last year that a significant amount of one-time dollars are used after the push to create the unclaimed property trust fund.

“I think our unclaimed property receipts last year were \$332 million,” he said. “We budget for \$68 million plus about \$40 million to pay out claims because unclaimed property is the great unknown of state government and we could sit here for an hour and talk about it.”

The state's Medicaid expansion will also lessen the use of one-time dollars in the future, according to Kassin.

"As we move forward, if we are accustomed to utilizing one-time dollars for projects, there's probably not going to be a lot of those dollars available in the future years for those two reasons," he said.

As far as property tax relief is concerned, Davis said it is important to move forward responsibly with the citizens' needs and essential services in mind.

"We know that we need some sort of revenue to take care of our roads and bridges," she said. "We like police officers, we like EMS to show up when we call 911, we like the fire station to be ready when we need them to show up and we have a constitutional obligation to provide education, as well, K through 12."

According to Davis, this is the third or fourth year in a row of summer studies on property tax solutions and ideas.

"I've noticed a lot of the proposals kind of nibble at the edge, maybe try to tweak relief programs and try to take a targeted approach to expanding for low-income people, maybe playing with the amount or what their income is so maybe more people qualify for that relief," she said. "Does it provide the comprehensive widespread relief that some are looking for? Not necessarily."

Davis pointed out that as relief comes to some, the financial burden shifts to others making this an extremely challenging topic.

"I will say property tax is the number one issue that you hear now," Kassin said. "Interestingly number two is funding for schools...It's a balance and it's very difficult and it's why this is really hard to do."

The criteria Kassin says he uses in looking at proposals is meaningful and responsible shifts in tax relief where it is funded.

"It's going to be a busy time judging all those things," he said. "It's going to be a weighty topic and I would suspect probably the number one issue that's discussed the most."

Davis said some have been talking of comprehensive solutions like expanding and

growing the tax base by looking for industry to move in manufacturing, expanding jobs and the like.

"I would say there's pretty much no appetite for an income tax in the legislature," she said. "When you grow the tax base you can spread the tax burden amongst more people and I would say that's probably what I've heard some of my colleagues talk about as the most comprehensive solution but that looks different for everybody."

Davis said there's a lot of division and disagreement on the role of the government here.

"For a comprehensive solution to come together you have to have people working cohesively together too," she said. "And that is always a challenge in Pierre."

Kassin pointed out that dealing with immediate emergencies as well as the 35% legislative turnover every two years makes long-term planning difficult.

"This is a fair criticism of the legislature is we don't do this long-term planning," he said. "We're not taking the time to go back and say, 'okay what are we doing for 20 years from now and 30 years from now and 40 years from now?'"

Former District 17 Representative Ray Ring attended the Rotary meeting. He spoke to a question about the possibility of a new transactional tax.

"The idea that's in the proposal that's in the Secretary of State's office right now for a constitutional amendment has a proposal for what they call a retail transactions tax," he said. "In more than 50 years of studying taxation, I've never seen anybody who's an expert who's favorable toward a transactions tax. The particular transactions tax that's proposed there is hands down the most unrealistic cockamamie idea for a tax that I've seen in more than 50 years of studying taxes...The idea of a transactions tax in this expert's opinion is that it's not a good idea. The one that's proposed for us to vote on -- and I hope they don't get enough signatures -- but the one that's proposed is an even worse idea."

Both Davis and Kassin are looking forward to getting things done in the upcoming legislative session.

“I think we’re going to have a lot of work in appropriations,” Kassin said. “I think there’s going to be a lot of balancing. I think there’s going to be a lot of proposals that come through that need to be really vetted.”

He also mentioned his work in the school accountability board, making sure school districts are spending the appropriate amount.

“By the time it started to get going, COVID hit and every school got a waiver and now we’re starting to get back to normal operations.” Kassin said, referencing a few school districts who had been fined for not having enough in reserves. “I think we do need to hold people accountable, although the purpose is to prevent these actions from happening again.”

He hopes for a possible waiving of fines after a probationary period.

“I think my main goal is to make sure that we’re doing the best we can to evaluate what programs are in the budget,” Kassin said. “And if we are going to make cuts, which some have proposed that we do, our due diligence on what those programs actually do, what the outcomes are of these programs and what effect cutting would have.”

Davis said coming up for her is a few healthcare-oriented bills.

“One deals with licensure compacts recognizing licensure of certain professionals,” she said. “That if you have a physician assistant license in Nebraska that we recognize it here in South Dakota and part of those compacts all have to agree to certain stipulations so that everybody is agreeing to the same standards.”

Such a bill helps with the workforce and decreases costs for providers or applicants, Davis said, speaking from personal experience.

“We also don’t do any special taxing or no sin taxing on vape products,” she said. “So that’s been something when we look at prevention and education for something like that.”

Though there has been a decrease in cigarette use, Davis said there has been an increase in vaping amongst children and the general public.

“I’m working on some bills to lay a groundwork for potentially having some sort of fee or

registration system so that we can maybe get some revenue off those sales to help with prevention efforts when it comes to harmful things like smoking and vaping and things like that,” she said.

Kassin said that he doesn’t know if anything will be done this year as far as inflationary increases.

“I think it would really have to see in the next two months big indicators of the economy and sales tax increasing in order to push our budget projections higher,” he said.

“That debate several years ago was an interesting one,” Davis said. “I was serving in the Senate at the time and the Senate really wanted tax relief but the negotiations with the House didn’t necessarily go that way. Some of the compromise was that there was a sunset put in place on that tax holiday.”

She said the 0% increase is concerning, being a low-tax, low-service state.

“A lot of folks want to say you should run it like a business,” Davis said. “I don’t know how sustainable any business is, not being able to give their employees a raise or to me, if I was a business owner I would be thinking that maybe we need to look at what should we be doing different, what should we be looking toward the future because we’re not going to be able to sustain 0% increases for very long.”

She said to provide a 1% increase would be \$25 million in the ongoing budget that is just not there.

“Hard times,” Davis said. “We got to keep moving forward.”

For the large percentage of constituents struggling with the affordability crisis, she said she is not aware of any single bill or legislative effort that will completely fix the problem.

“We see that all across the country; that’s what everyone is talking about,” Davis said. “Gas prices are getting quite a bit better, so that is a positive. I would say some of the most simple things we can do as a low tax state with limited revenue options is look at growing the tax base but some of our legislative colleagues don’t necessarily believe in that or think that the government should be involved in that. It is challenging because how do we continue to meet the state’s obligations when it

comes to taking care of vulnerable people who are impoverished, disabled and needy?”

Even if the perfect bill did exist, she said she doesn't know if it would pass due to a very divided legislature.

Kassin said all they can do is the best with what they have to meet the needs of the voters.

“You look through the lens of all the different citizens and all the different perspectives that we have,” he said. “We gather as much input as we possibly can and we contemplate to make the very best decisions we possibly can.”