



GUBERNATORIAL DEBATE



JOHN HULT, SOUTH DAKOTA SEARCHLIGHT

South Dakota Republican Gov. Larry Rhoden, left, and Democratic gubernatorial candidate Dan Ahlers participate in a debate at South Dakota Public Broadcasting's Sioux Falls studios on Monday.

South Dakota governor candidates clash on data centers, education, economic development

JOSHUA HAIAR
South Dakota Searchlight

Local governments should have more authority over where data centers are built and how they use local resources, Democratic candidate for South Dakota governor Dan Ahlers said during a debate on Monday, Sept. 28.

“We should be asking the people of South Dakota what they want, and what they’ve been telling us is they don’t want these data centers in their communities,” Ahlers said during the debate, co-hosted by South Dakota Public Broadcasting and South Dakota News Watch.

Republican Gov. Larry Rhoden argued that his administration had already responded to public concerns on data centers. He pointed to legislation he signed that requires data centers with peak electrical use of 10 megawatts or more to cover the cost of their power demands, as well as any costs a community might incur if a data center unexpectedly leaves. The same bill bars the state from preempting local laws to limit, ban or regulate data centers. Companies seeking to build data centers also have to tell local water providers how much water they’d need and obtain determinations from local providers that their projects are compatible with the local water supply.

But Rhoden also wants data centers built in the U.S., if they are going to be built. He said it is important to keep “evil foreign governments, like China, from owning our data.”

During their second and last debate of the 2026 election season, the two also clashed on education, health care, taxes and

tribal relations, among other issues.

Rhoden, a western South Dakota rancher, became governor in early 2025 after serving as former Gov. Kristi Noem’s lieutenant governor. Ahlers is a small business owner and former Democratic legislator from Dell Rapids.

Affordability and property taxes

Ahlers said the state could reduce the cost of living by putting more state money into education, which he said would reduce the amount local governments need to raise through property taxes. He also said the state could save families \$800 per student if it paid for school lunches and proposed a childcare tax credit or rebate, though he did not offer details on the size and scope of such a program.

Rhoden pointed to property tax legislation he signed during the 2026 legislative session as a measure addressing affordability. “This year we passed the largest property tax cut in the history of the state,” Rhoden said.

One new law diverts an estimated \$110 million or more in sales tax revenue into a fund to offset property taxes for education. That revenue will come when a 2023 sales tax reduction from 4.5% to 4.2% sunsets next year. Additionally, \$56 million in general budget funds is being used to lower property taxes immediately.

Another bill lets counties add an additional 0.5% sales tax to decrease property taxes for homeowners in those counties.

Rhoden said the new laws will reduce the average homeowners’ property taxes by 36%.

Ahlers said moving from property taxes to sales taxes can leave renters and lower-income residents behind. The state should change how it assesses residential property, he said, and bolster existing property tax relief programs for seniors, veterans and people with disabilities.

“It is a tax shift,” Ahlers said. “It shifts it from property tax to sales tax at the county level.”

Rhoden said the property tax bills would also help renters by making it easier to purchase their first home, and would also shift the tax burden to tourists spending money in the state.

Education funding

Rhoden said state education funding has increased more than what’s required under the state’s funding formula, and said teacher salaries have risen by about \$10,000 in recent years.

But teacher retention remains a problem, Ahlers said, pointing to teachers who aren’t just leaving for better pay in other states but “leaving the profession entirely.” The state should prioritize teacher pay, he said.

Economic development

When asked about economic development, both candidates homed in on what’s been done – and what hasn’t – through the state’s Future Fund. The fund was created in 1987 at the request of then-Gov. George Mickelson, a Republican. South Dakota employers pay fees to the

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2027 BUDGET

County approves budget at over \$140M

FRANK ESPINOZA
Journal staff

The Pennington County Board of Commissioners voted 4-1 at the Sept. 17 meeting to approve the 2027 county budget, with approximate expenditures totaling over \$140 million.

Commission Office Director Jordan Neeb clarified to the commission at the meeting, the approved budget amount for expenditures of over \$140 million was a placeholder number needed for approval with changes made at the meeting.

Neeb said a more accurate total is still being worked on with the final amount expected in October before being sent to the state for approval.

In comparison, the 2026 county budget was approved at \$131 million. A significant increase to this year’s budget comes from the inclusion of Capital Projects.

Commissioner Deb Hadcock (District 3) voted no on the overall budget as she did not agree with changes made to library funding and felt further discussions over budget figures were needed.

According to Pennington County Finance and Policy Analyst Kenneth Langenbau, the more accurate figure for expenditures is estimated at over \$135 million and revenue totaling over \$128 million.

Langenbau told the Journal the county has been working to put together budget figures starting in April.

“We send department heads basically their history on the line items (in their budget) on what they’ve actually spent, what they requested the previous year, and then what they’re needing for this year,” Langenbau said.

Thereafter, a provisional budget is put together and approved by the commission each July, and changes can be made until Sept. 30, when the budget must be approved by state statute.

Before approving the budget, commissioners discussed library funding, Cost-of-Living-Adjustment and Capital Projects

Library funding

The commission reviewed the library funding mechanisms for Rapid City (\$320,000), Hill City (\$33,430), Keystone (\$11,277), and Wall (\$19,826).

Through the use of the library levy, the county was looking to fund these four libraries for a total of \$384,533.

In 2025 the county was set to fund the four libraries to an amount of \$537,743, but the commission later cut the funding to \$145,533.

A mill levy is a property tax based on the assessed value of a property; one mill is equal to one dollar per \$1,000 of assessed value. The levy is calculated by determining how much revenue each jurisdiction needs to fund its budget for public services, such as schools, parks and libraries.

The county divides the property tax ask by the total assessed value to determine the levy rate.

According to county documents, the total levy for the current year is 4.430, with the library levy accounting for 0.03, or 1%, of the county levy.

Commissioner Jerry Derr (District 4) said that in the 2026 county budget, the library levy was reduced, setting the total levy funding for libraries at \$145,533, putting the library funding requests in a deficit of over \$200,000.

Derr suggested using the county’s general fund to cover the total requested amount and setting the library levy to zero.

Hadcock disagreed with Derr, suggesting making up the difference needed from the general fund and keeping the levy rate in place.

The commission voted 3-2 to set the levy at zero and use general fund funding. Commissioners Ron Weifenbach (District 2) and Hadcock voted no on this action.

In a separate action, the commission voted 4-1 to use the general fund to cover the total of \$384,533 for all four libraries, with Hadcock voting no.

Langenbau told the Journal the

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