

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

456V0069

## HOUSE BILL NO. 1097

Introduced by: Representatives Verchio, Campbell, Craig, Duvall, Ecklund, Gosch, Kopp, Lust, Nelson, Olson (Betty), Qualm, Schoenfish, and Tyler and Senators Rampelberg, Begalka, Frerichs, Jensen, Jones (Tom), Kirkeby, Lucas, Monroe, Tieszen, and Welke

1 FOR AN ACT ENTITLED, An Act to revise the criteria for classifying property as agricultural  
2 land.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 10-6-31.3 be amended to read as follows:

5 10-6-31.3. For tax purposes, land is agricultural land if ~~it meets two of the following three~~  
6 ~~criteria:~~

7 ~~— (1) — At least thirty-three and one-third percent of the total family gross income of the~~  
8 ~~owner is derived from the pursuit of agriculture as defined in subdivision (2) of this~~  
9 ~~section or it is a state-owned public shooting area or a state-owned game production~~  
10 ~~area as identified in § 41-4-8 and it is owned and managed by the Department of~~  
11 ~~Game, Fish and Parks;~~

12 ~~— (2) — Its its principal use is devoted to the one or more of the following: raising and~~  
13 ~~harvesting of crops or timber or fruit trees; the rearing; and feeding; and management~~  
14 ~~of farm livestock, poultry, fish, or nursery stock; the production of bees and apiary~~



1 products; or horticulture, all for ~~intended~~ a reasonable expectation of profit pursuant  
 2 to subdivision (1) of this section. Agricultural ~~real estate also includes~~ land may also  
 3 include woodland, wasteland, and pasture land, but only if ~~the~~ that land is held and  
 4 operated in conjunction with agricultural ~~real estate~~ land as defined in this section  
 5 and ~~it~~ all of the land is under ~~the same~~ common ownership;

6 The land shall also meet one of the following two criteria:

7 (1) At least one thousand dollars of gross income is annually derived from agricultural  
 8 use on the land by the owner. The board of county commissioners may allow an  
 9 exception to the annual income requirement for raising and harvesting timber; or

10 ~~(3)~~(2) It consists of a single parcel of not less than twenty acres of unplatted land or is a part  
 11 of a contiguous ownership of not less than eighty management unit of not less than  
 12 forty acres of unplatted land. The same acreage specifications apply to platted land,  
 13 excluding land platted as a subdivision, which is in an unincorporated area. However,  
 14 the board of county commissioners may increase the minimum acre requirement for  
 15 either the single parcel or management unit, or both, up to one hundred sixty acres.  
 16 However, no land that is platted as a subdivision may qualify as agricultural land  
 17 under the acreage criteria provided in this subdivision.

18 Any state-owned public shooting area or a state-owned game production area as identified  
 19 in § 41-4-8 that is owned and managed by the Department of Game, Fish and Parks for the  
 20 purposes of this chapter shall be assessed and taxed as agricultural land.

21 For the purpose of this section, the term, management unit, means any land or parcels of  
 22 land under common ownership located within this state and managed and operated as a unit for  
 23 one or more of the agricultural uses listed in this section.

24 For the purposes of this section, the term, principle use, means the primary use to which the

1 land is devoted. This definition is intended to reference the primary and predominant use of the  
2 land as opposed to a mere secondary and incidental use.

3 For the purposes of this section, the term, subdivision, means any division of land which  
4 creates ten or more lots and is recorded with a subdivision name.