

# State of South Dakota

EIGHTY-NINTH SESSION  
LEGISLATIVE ASSEMBLY, 2014

456V0069

## HOUSE ENGROSSED NO. **HB 1097** - 02/19/2014

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 it consists of a single parcel of not less than twenty acres of land and its principal  
13 use is devoted to the one or more of the following: raising and harvesting of crops or  
14 timber or fruit trees; the rearing; and feeding; ~~and management~~ of farm livestock,



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

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

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

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

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

23 For the purpose of this section, the term, management unit, means any land or parcels of  
 24 land, whether adjoining or not, under common ownership located within this state and managed

1 and operated as a unit for one or more of the agricultural uses listed in this section. However,  
2 if all of the parcels making up the management unit adjoin each other, a parcel that is part of that  
3 management unit may be less than twenty acres.

4 For the purposes of this section, the term, principal use, means the primary use to which the  
5 land is devoted. This definition is intended to reference the primary and predominant use of the  
6 land as opposed to a mere secondary and incidental use.

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