

State of South Dakota

NINETY-FIRST SESSION LEGISLATIVE ASSEMBLY, 2016

573X0043

HOUSE BILL NO. _____

Introduced by: _____

1 FOR AN ACT ENTITLED, An Act to revise the criteria for determining if property is
2 agricultural land for property tax purposes.

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 raising and harvesting of crops or timber or fruit
13 trees; the rearing, and feeding, and management of farm livestock, poultry, fish, or
14 nursery stock; the production of bees and apiary products; or the production of
15 horticulture, all for intended the primary purpose of obtaining a monetary profit
16 ~~pursuant to subdivision (1) of this section.~~ Agricultural real estate also includes land



1 may also include woodland, wasteland, and pasture land, but only if the land is held
2 and operated in conjunction with agricultural ~~real-estate~~ land as defined in this
3 section and it is under ~~the same~~ common ownership; The land shall also meet one
4 of the following criteria:

5 (1) At least one-third of the total gross income of the owner is normally derived from the
6 agricultural use of agricultural land by the owner. However, the gross income may
7 not average less than two thousand dollars per year over the last three years; or

8 ~~(2)~~(2) It consists of not less than twenty acres of unplatted land or is a part of a contiguous
9 ownership management unit of not less than eighty acres of unplatted land. ~~The same~~
10 acreage specifications apply to platted land, excluding land platted as a subdivision,
11 which is in an unincorporated area. However, the board of county commissioners
12 may increase the minimum acre requirement up to one hundred sixty acres. No land
13 platted as a subdivision which creates five or more lots and is recorded with a
14 subdivision name may qualify as agricultural land.

15 For the purpose of this section, the term, management unit, means any parcels of land,
16 whether adjoining or not, under common ownership located within this state and managed and
17 operated as a unit for one or more of the agricultural uses listed in this section. No parcel of land
18 less than twenty acres within a management unit may be more than twenty air miles from the
19 nearest other parcel within the management unit. If requested by the director of equalization, the
20 owner shall provide supporting documentation of the land contained in the management unit.

21 For the purposes of this section, the term, principal use, means the primary use to which the
22 land is devoted. This definition is intended to reference the primary and predominant use of the
23 land as opposed to a mere secondary and incidental use. Land is not agricultural land if its
24 principal use is devoted to a residential, commercial, industrial, or recreational use.

1 Section 2. That chapter 10-6 be amended by adding thereto a NEW SECTION to read as
2 follows:

3 Notwithstanding the provisions of § 10-6-31.3, any state-owned public shooting area or a
4 state-owned game production area as identified pursuant to § 41-4-8 that is owned and managed
5 by the Department of Game, Fish and Parks shall be assessed and taxed as agricultural land.